

General Plan for the City of Laguna Niguel
Chapter 8 - HOUSING ELEMENT

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Table of Contents

<u>Section</u>	<u>Page</u>
Executive Summary	vi
A. Preparation and Organization	vi
B. Summary of Goals, Policies, and Objectives	vii
C. Housing Needs Assessment Summary	ix
D. Public Participation	xiii
I. HOUSING GOALS, POLICIES AND QUANTIFIED OBJECTIVES	1
A. Housing Goals and Policies	1
B. Quantified Objectives	2
C. Performance Relative to Regional Housing Needs Assessment	5
II. HOUSING PROGRAMS	7
A. Program 1: Provision of Adequate Housing Sites	8
B. Program 2: Sites for the Homeless and Emergency Shelters	9
C. Program 3: Affordable Housing Development	10
D. Program 4: Removal of Governmental Constraints	13
E. Program 5: Conserve and Improve Existing Affordable Housing	13
F. Program 6: Promote Equal Housing Opportunity	17
G. Program 7: Housing Element Monitoring and Reporting	17
III. HOUSING NEEDS ASSESSMENT	22
A. Population Characteristics	22
1. Ethnicity	23
2. Age	24
B. Household Characteristics	25
1. Household Size	25
2. Household Type	26
3. Household Income	28
a. Poverty	30
C. Employment Trends	31
1. Area Profile of Employment	31
2. Unemployment	32
D. Special Needs Groups	33
1. Mobility/Self-Care Limitations	33
2. Elderly	35
3. Female Heads of Household	36
4. Large Families	37
5. Farmworkers	38
6. Homeless	38
7. Veterans	41
E. Housing Unit and Population Projections	41

F.	Housing Unit Characteristics	42
1.	Housing Composition	44
2.	Annual Growth of Housing Stock	44
3.	Housing Occupancy and Tenure	45
G.	Housing Costs	45
1.	Rentals	45
2.	Home Prices	46
H.	Income and Affordability	47
1.	Affordability Trends	49
I.	Age and Condition of Housing Stock	50
1.	Housing Accommodations	51
2.	Overcrowding	51
J.	Assisted Housing Projects	52
1.	County of Orange Housing Programs	53
2.	Coastal Zone	57
a.	Units Approved	57
b.	Units Replaced Because of Demolition or Conversion	57
3.	Mortgage Revenue Bond Financing	58
a.	Multi-family Housing Revenue Bond Program	58
b.	Single-family Mortgage Revenue Bond Program	59
4.	HUD Section 8 Housing Program	59
5.	Affordable Housing Incentive Ordinance	61
6.	Section 202 Elderly or Handicapped Housing	61
7.	Granny Flats	61
8.	Community Development Block Grant Funds	61
9.	Housing Trust Fund	62
10.	Homesharing	62
11.	Reverse Mortgage Program	63
12.	Equity Sharing	63
13.	Condominium Conversion	64
14.	HOME Program	64
K.	Future Housing Needs	64
L.	Future Residential Growth Areas	66
1.	Units Eligible for Conversion	68
M.	Opportunities for Energy Conservation	73
N.	Land Inventory	74
1.	Vacant Land	74
2.	Redevelopment Potential	74
3.	Availability of Infrastructure and Services	74
O.	Government Constraints	74
1.	Land Use Controls	75
2.	Development Agreements	75
3.	Zoning Regulations	76
4.	Subdivision Ordinance	78
5.	Second Units	78
6.	Building Codes	79

7.	Design Review	79
8.	Permit Processing Procedures	80
9.	Building	80
10.	Planning	81
11.	Fees	82
P.	Non-Governmental Constraints	84
1.	Land Prices	84
2.	Vacancy Rate	85
3.	Construction Costs	85
4.	Financing Costs	86
5.	Developers' Perception of Marketability	86
6.	Fiscal Solvency	86
IV.	CONSISTENCY WITH GENERAL PLAN ELEMENTS	87
V.	EVALUATION OF THE 1992 HOUSING ELEMENT	89

Appendix A

List of Tables

<u>Table</u>	<u>Page</u>
II-1 Quantified Objectives 2000-2005	3
II-2 Preservation of Housing by Income Category 2000-2010	5
II-3 Regional Need from SCAG 1998-2005	6
II-4 Available Sites	6
II-5 Housing Plan Summary	19
III-1 Population Trends for Laguna Niguel	22
III-2 SCAG Projections	23
III-3 Persons by Race in 1990	23
III-4 Persons by Hispanic Origin in 1990	24
III-5 Age Distribution in the City of Laguna Niguel	25
III-6 Persons in Household 1990	25
III-7 Household Type and Relationship	26
III-8 Household Type and Presence of Children Under Age 18	27
III-9 Family Type and Age of Children	28
III-10 Households by Income Group in 1989	29
III-11 Comparison of Household Income Categories in 1990 and 1999	30
III-12 Educational Attainment Levels for Persons 25 Years and Older in 1990	32
III-13 Mobility and Self-Care Limitation Status	35
III-14 Large Families	37
III-15 Public Assistance Recipients by Program in Orange County	40
III-16 Characteristics of Recipients of Aid to Families with Dependent Children in Orange County	41
III-17 1999 Laguna Niguel Housing Unit Mix	42
III-18 Laguna Niguel Population and Housing Estimates (1/1/90 through 1/1/99)	43
III-19 Orange County Population and Housing Estimates (1/1/90 through 1/1/99)	43
III-20 Building Activity Summary	44
III-21 1999 Rental Rates	45
III-22 Typical House, Townhouse, and Condominium Rental Rates	46
III-23 1998-1999 Home Prices	47
III-24 1999 Comparative New Home Prices (Averages)	47
III-25 Number of Households Paying over 30 percent of Income on Housing	48
III-26 Housing Expenditures per Income Group	48
III-27 Conventional Home Purchases in 1998 by Race	49
III-28 Median Rent in Relation to Median Income	49
III-29 For Sale Units Affordable to Lower Income Households in 1999	50
III-30 Age of Housing Units in Laguna Niguel	50
III-31 Number of Bedrooms per Housing Unit	51
III-32 Overcrowded Housing	52
III-33 Housing Affordability Criteria: County of Orange Housing Program January 1992 - March 31, 1992	54
III-34 Affordable Housing Requirements by Planned Community	54
III-35 Projects Satisfying Affordable Housing Requirements	55

Table 1

Page	Page
101	101
102	102
103	103
104	104
105	105
106	106
107	107
108	108
109	109
110	110
111	111
112	112
113	113
114	114
115	115
116	116
117	117
118	118
119	119
120	120
121	121
122	122
123	123
124	124
125	125
126	126
127	127
128	128
129	129
130	130
131	131
132	132
133	133
134	134
135	135
136	136
137	137
138	138
139	139
140	140
141	141
142	142
143	143
144	144
145	145
146	146
147	147
148	148
149	149
150	150
151	151
152	152
153	153
154	154
155	155
156	156
157	157
158	158
159	159
160	160
161	161
162	162
163	163
164	164
165	165
166	166
167	167
168	168
169	169
170	170
171	171
172	172
173	173
174	174
175	175
176	176
177	177
178	178
179	179
180	180
181	181
182	182
183	183
184	184
185	185
186	186
187	187
188	188
189	189
190	190
191	191
192	192
193	193
194	194
195	195
196	196
197	197
198	198
199	199
200	200

III-36	Multi-family Mortgage Revenue Bonds	58
III-37	Fair Market Rents for Existing Housing: Orange County PMSA	60
III-38	Apartment Complexes in Laguna Niguel	60
III-39	SCAG's RHNA Allocation 1998 - 2005	65
III-40	SCAG's RHNA Distributed By Income	65
III-41	City's Proposed RHNA Distribution	66
III-42	Future Residential Dwelling Unit Availability in Laguna Niguel	66
III-43	Assisted and Inclusionary Units Eligible for Conversion	70
III-44	Apartment Replacement Costs	71
III-45	Non-Profit Organization Interested in the Right of First Refusal	72
III-46	Laguna Niguel Zoning Standards	77
III-47	Development Processing Time Limits	81
III-48	CARITS Fees in Laguna Niguel	82
III-49	MP/LN Fees Program	83
III-50	Apartment Replacement Costs	84
V-1	Goals, Policies, and Programs of 1992 Housing Element	90
V-2	Quantified Objectives 1992-2000	97

EXECUTIVE SUMMARY

The Housing Element is a comprehensive statement by the City of Laguna Niguel of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The policies contained in this Element are an expression of the statewide housing goal of "attaining decent housing and a suitable living environment for every California family," as well as a reflection of the unique concerns of the community.

The purpose of the Laguna Niguel Housing Element is to establish specific goals, policies and objectives relative to the provision of housing, and to adopt an action plan toward this end. In addition, the Element identifies and analyzes housing needs, and resources and constraints to meeting these needs.

The City's existing and future land uses were largely determined by the County of Orange prior to the City's incorporation in December 1989. The majority of the City's future development has already been entitled by development agreements (which have expired but been replaced by vesting tentative tract maps) or final tract maps. Due to these previous entitlements, the City has little control over future residential development. Where the City does have discretion, it has proposed a number of policies and programs to accommodate affordable housing in the future. Even where vacant land is covered by existing entitlements, the City is proposing negotiations with landowners to determine the feasibility of accommodating some affordable housing.

Because opportunities for creating new, affordable housing units in the City are limited, an important secondary strategy is preserving the affordability of existing housing.

A. PREPARATION AND ORGANIZATION

In accordance with State law, the Housing Element is to be consistent and compatible with other General Plan Elements. Additionally, Housing Elements are to provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. The contents of the housing element are mandated by State law according to Government Code Sections 65580 through 65589.

The 1990 U.S. Census, which is the most recent available, was utilized in formulating detailed data relevant to the Housing Needs Assessment. Where possible, more recent information from other sources has been used to update and expand on the census data. Chief among these other sources are: the California Department of Finance (DOF) yearly estimates of housing units, households, and population; the Southern California Association of Governments (SCAG) regional estimates and projections; and various other federal, state, and City agencies and organizations. As part of the planning process, the community and interested parties have the opportunity to review and provide comments on the Draft and Final Housing Element during the public hearing process. The Draft and Final Housing Element will be given to the California Department of Housing and Community Development for their review and comment.

Government Code Section 65583 requires housing elements to include the following five components:

- A review of the previous element's goals, policies, programs, and objectives to ascertain the effectiveness of each of these components, as well as of the overall effectiveness of the Housing Element.
- An assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs.
- An analysis and program for preserving assisted housing developments.
- A statement of community goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.
- A program which sets forth a five-year schedule of actions that the City is undertaking, or intends to undertake, in implementing the policies set forth in the housing element.

The Laguna Niguel Housing Element is divided into five sections. Section One provides an overview of the scope and purpose of the Housing Element. Section Two describes the housing programs that will be implemented in order to achieve the stated goals and policies. Section Three, Community Analysis, is an assessment of the housing needs of the City. This section identifies affordable units developed under local, state, and federal programs and analyzes the resources and constraints to the production of new affordable housing units. Section Four analyzes the Draft Housing Element's consistency with other existing General Plan Elements and Section Five contains an evaluation of the 1992 Housing Element.

B. HOUSING GOALS, POLICIES, AND QUANTIFIED OBJECTIVES

Two goals have been established to address the needs of the community. The first goal is to create a diversity of housing opportunities that satisfy the physical, social, and economic needs of the residents of Laguna Niguel. Policies to reach this goal include the development of safe and sanitary housing with adequate public services and the promotion of continued maintenance and enhancement of the existing housing stock. Additionally, the City will promote a variety of housing opportunities to accommodate the needs of all income levels of the population; support innovative public, private, and non-profit efforts to develop affordable housing, particularly for special needs groups; pursue county, state, and federal assistance to support housing programs; and monitor the number of affordable housing units eligible for conversion to market-rate units and develop programs to minimize the loss of these units.

The City's second goal is to provide equal housing opportunity for all residents in Laguna Niguel. To prohibit discrimination in housing practices, the City shall encourage and support the enforcement of laws and regulations prohibiting the discrimination in lending practices in the sale or rental of housing, and shall support actions to reduce regulatory constraints impeding equal housing opportunities.

The City has established seven programs with associated action plans to implement the housing goals and policies over the next five years. These programs are:

- Program 1: Provision of Adequate Housing Sites
- Program 2: Sites for the Homeless and Emergency Shelters
- Program 3: Affordable Housing Development
- Program 4: Removal of Government Constraints
- Program 5: Conserve and Improve Existing Housing Affordable to Low and Moderate Income Households
- Program 6: Promote Equal Housing Opportunity
- Program 7: Housing Element Monitoring and Reporting

The City's program efforts for the next five-year review period are focused in these three areas:

1. Offering of incentives to induce the owners of existing affordable housing to maintain the affordability of those units or to sell to agencies (public or private non-profit) that will maintain the units. The City will also assist such agencies in accessing state or federal funds to make the acquisition possible.
2. Offering of incentives to induce owners of remaining vacant land to include a percentage of affordable housing units in plans for new development. Regulatory and financial incentives are proposed, including providing assistance to developers in accessing state or federal funds for affordable housing construction.
3. Continue to actively investigate and enforce property maintenance requirements in an effort to actively preserve the City's housing stock.

As a result of the City's experience in implementing the 1992 Housing Element, and the three priorities listed above, several program modifications have been incorporated into the 2000 Housing Element. These include:

1. Renewed participation in the countywide Homeless Task Force, but only to the extent that the City remains active in monitoring any potential local homeless needs (none were identified during the 1992-2000 period).
2. A more active role by the City in contacting owners of remaining vacant land to determine the feasibility of including affordable dwelling units in future developments, particularly on the multi-family and managed-care sites that do not currently have existing entitlement. Even on sites covered by existing entitlements, the City will commit to working with property owners and providing incentives to determine whether some affordable housing can be provided, even if the modification of existing development approvals are necessary.
3. Continuation of informational programs for services provided by other public or private agencies.
4. A more pro-active role for the City in preserving remaining affordable multi-family rental housing in the City.

5. Continuation of Code enforcement activity.

In undertaking the 2000-2005 programs, the City will stress voluntary cooperation with property owners and developers. The City does not believe it will be productive to impose a mandatory inclusionary housing requirement on new development.

C. HOUSING NEEDS ASSESSMENT

The City's two goals (listed above) were developed after a thorough analysis of the City's demographics and projected housing needs. The following summarizes the City's demographic, housing, and employment information. It also identifies some of the major issues facing the City during the up-coming Housing Element period.

1. Population - The City's 1999 population was 59,166 persons, a growth of 33 percent since 1980, outpacing the County's 15 percent growth rate during the same period. Since 1995, the City's annual growth rate has remained at 2 percent. The City's racial and ethnic composition is predominantly White (88 percent), although small percentages of other races reside in the City. People age 30 through 39 years comprised the largest age group (23 percent) in Laguna Niguel, followed by persons age 18 to 29 years (18 percent). People over age 65 years comprised nearly 7 percent of the population, and an aging trend that shifts the median age up is likely to continue given both national and regional demographic trends.
2. Households - In 1990, there were 17,172 households and 15 people in group quarters in the City. Approximately 39 percent of households were two-person households. Over 73 percent of all households were families. Of the 6,089 households in the City with children, 84 percent were married-couple households, and 13 percent were female-headed households.
3. Median Income - The median income in the County was \$45,922 in 1990 and \$68,300 in 1999. Based on the 1990 U.S. Census, 13 percent of the City's population were Very Low-income, 16 percent were Low-income, 21 percent were Moderate-income, and 50 percent were Above Moderate-income households. The majority of people below the poverty level were adults between ages 18 and 65 years (66 percent), followed by children age 17 and younger (29 percent). Most impoverished households with children were young white female householders (60 percent).
4. Major Employers - Major employers in the City include various retail employers such as Wal Mart, Mervyns, Ralphs, and Costco, as well as the Federal government and the Orange County Courthouse/Regional Facility. The City has a 1999 labor force of 29,050 workers and an extremely low unemployment rate of only 2 percent in 1999. In comparison, the County's 1999 unemployment rate was 2.6 percent. Most City residents were employed in service jobs such as sales, management, and professional positions. However, service

jobs tend to be split between lower paying service jobs and higher paying managerial jobs, which can increase income gaps.

5. Senior Population - Seniors age 65 years and over represented 7 percent of the City's population in 1990. It is anticipated that the senior population in Laguna Niguel has likely increased since the 1990 census. Since most seniors own their own homes they are often considered income poor but housing rich. In this situation, the Housing Element focuses on home repair and upkeep, and also for continuing to provide senior services and additional senior housing opportunities (i.e., senior apartments, managed-care facilities, etc.), since seniors may want to stay in the community but would like different housing options.
6. Large Households - Large families, defined as families of five or more persons, require larger dwellings, which are more expensive than average-size units. Nearly 8 percent of the households were large families. Although the City contains more housing units with four or more bedrooms than large households, the cost for large housing units can be expensive, thereby excluding some families from adequately sized housing.
7. Female Headed Households - Female headed households comprise 8 percent of all households in the City. Although the percentage of female headed households below the poverty level was considerable, their overall numbers were low and do not represent a severe housing need. However, low-cost housing of adequate size may be needed, particularly units close to schools or childcare centers.
8. Farmworker Housing - Farmworker housing is not necessary since the City and surrounding areas are nearly fully developed and have no significant agriculture.
9. Disabled Persons - According to the 1990 U.S. Census, 2 percent of the City's population age 16 and over had a physical condition that affected their ability to live independently in a conventional residential environment. However, not all people with disabilities require special housing. Some require supervision, which can be achieved in a group home environment, and others may need specially designed housing or may need to be located near transportation access points or shopping centers. Alicia Park Apartments offer three low-income units for handicapped occupancy.
10. Homeless - The estimates of the number of homeless in Laguna Niguel varies since it is difficult to obtain an accurate count. It also should be noted that there are varying types of homeless populations such as the permanently homeless and those seeking temporary shelter. According to the City Sheriff's Department there are no permanently homeless individuals in Laguna Niguel. According to other sources such as the Orange Coast Interfaith Shelter, there are a few temporarily homeless persons coming from Laguna Niguel each year, primarily as a result of domestic disputes. The City provides Community Development Block Grant (CDBG) funds to service provider organizations in and around Laguna Niguel which provide temporary shelters or other services to people in need.

11. Housing Mix - Following Laguna Niguel's rapid housing growth during the 1980s, housing growth declined in the early 1990s due to a down turn in the economy. The City's current housing stock is distributed as follows: 54 percent are single-family detached units, 27 percent were multiple-family units, and 19 percent are single-family attached units. Even though housing unit construction decreased during the 1990s, vacancy rates remained steady at 9.1 percent (above the minimum rate necessary for the housing market).
12. Homeownership - The 1990 U.S. Census data shows that 75 percent of the occupied units in the City were owner-occupied and 25 percent were renter-occupied. Whites occupied the majority of both owned and rented units in the City, and comprised equal percentages of both renters and owners, while Asian/Pacific Islanders owned a larger percentage of units than rented. Blacks, Native Americans, and Others rented a higher percentage of units than owned. The highest percentage of all owners were between the ages of 35 and 44. The highest percentage of renters were below age 35. Although people age 65 and older have lower incomes, they owned nearly four times as many units as they rented.
13. Condition of Housing Stock - Since the majority of housing units in the City were constructed after the 1980s, dwellings are in good condition. Most homes have full kitchen, plumbing, sewer, and heating facilities. Since the housing stock is fairly new and in good condition, it is anticipated that City programs will focus on property maintenance such as roof repair, new paint, or landscaping to maintain the existing housing stock.
14. Overcrowding - According to 1990 U.S. Census data, overcrowding only affected less than 4 percent of the occupied housing units. Six percent of all renter-occupied and 2 percent of all owner-occupied units in 1990 were overcrowded. Of the 451 overcrowded households, 163 were severely overcrowded. Overcrowding is defined as 1.01 or more persons per room and extreme overcrowding is more than 1.5 persons per room.
15. Median Home Prices and Rents - Median home prices are rising in the City, as a result of improved economic conditions in the region. The median home price as of October 1999 was \$372,250 according to the California Association of Realtors (CAR). Home prices range from \$70,000 to \$2,500,000. Rents range from \$675 for the least-expensive one-bedroom apartment unit to over \$1,550 for three-bedroom apartments. Townhouses and homes rented for \$825 per month for a one-bedroom unit to \$2,800 per month for four-bedroom units.
16. Affordable Housing - Assisted housing projects and programs are available to assist people unable to afford housing costs. The Orange County Housing Authority operates public housing units in the City. The Housing Authority also administers the Department of Housing and Urban Development (HUD) Section 8 Certificate and Voucher program; 472 units in the City provide low income housing, but have the potential for conversion to market rate by 2010. In addition, the Orange County Housing Authority issued 60 vouchers in 1999 to Laguna Niguel families who are unable to afford rents in the rental market, so that they can rent adequate units. Mortgage Revenue Bonds, Section 202 assistance, HOME funds for dwelling rehabilitation, and CDBG funds also contribute to funding assisted or special-need housing, as well as maintain the quality of existing dwellings.

17. Housing Over-Payment - Most households in Laguna Niguel were not considered at-risk for ability to purchase housing. Approximately 2,586 Very Low- and Low-income households spent over 30 percent of their income on homes and rents. Although most home owners pay less than 30 percent of their income on housing, 48 percent of home owners and 47 percent of renters pay 30 percent or more of their income on housing. However, it is important to note that the majority of homeowners paying more than 30 percent of their income on housing were in the Above Moderate-income group and nearly 38 percent of the overpaying renters were in the Low- to Moderate-income groups. Using the current median income, Low-income households could afford most of the one- and two-bedroom apartments in the City.
18. RHNA Projections - The Southern California Association of Governments (SCAG) prepares the Regional Housing Needs Assessment (RHNA) projections for various cities in its six county jurisdiction. SCAG's 1998-2005 RHNA projections indicate that a total of 1,236 new units will need to be constructed to accommodate Laguna Niguel's new households. Of the total allocation, 202 units are allocated for Very Low-income households, 138 units are allocated for Low-income households, 227 units are allocated for Moderate-income households, and Above Moderate-income households have been allocated 669 units. However, the City is challenging these numbers based on existing land use entitlements. Since all but 182 new units anticipated to be constructed during this RHNA period are already entitled, the City has little ability to influence the affordability of the remaining units. As a result, the City is proposing an alternative which distributes the 182 non-entitled units in the following manner: 30 units for Very Low-income households, 20 units for Low-income households, 33 units for Moderate-income households, and 99 units for Above Moderate-income households.

In order to address the possibility that the City will be unsuccessful in its RHNA appeal effort, the Draft Housing Element Update has been modified to include adequate sites to potentially accommodate the City's share of affordable housing units. The four sites include multi-family residential sites as well as sites overlay by the Managed Care overlay district which encourages the construction of senior housing. In total, the four identified sites have the potential to provide up to 514 housing units, well in excess of the RHNA allocation of 340 affordable units.

19. Vacant Land - A vacant residential land survey was conducted as part of this Housing Element Update. The survey indicates that an additional 1,575 dwelling units can be constructed in the City. Of the total remaining units, 1,393 are anticipated to be custom or market-rate production single-family homes in existing subdivisions and 182 are anticipated to be multi-family units. Only these 182 multi-family units are NOT entitled (meaning the City must issue one or more discretionary permits and could impose an affordability requirement). Once these remaining vacant lots are developed, the City will be physically built-out.

20. Redevelopment Potential - Since most of the development in the City is relatively new and in good condition, the City does not have a redevelopment area. With out a redevelopment area and the 20 percent mandatory set-aside funds, the City's only potential funding source for affordable housing is its CDBG funds.
21. Existing Land Use Approvals - The City's housing development has primarily taken place under land use entitlements granted by the County of Orange. As a result, many of the existing single-family custom homes and production tract homes currently under construction were approved by the County as part of several Planned Community Development Plans. The Planned Community Development Plans and other County programs required the construction of many large apartment and condominium projects in the City to provide housing opportunities affordable to all economic segments of the population. These projects were completed early on in the development of the City, prior to the eventual construction of the market-rate single-family homes now under construction. Many of the affordability restrictions tied to the apartment or condominium projects have expired or are scheduled to expire in the next 10 years.

D. PUBLIC PARTICIPATION

As part of the Housing Element update process, the Community Development Department staff held a public meeting on December 2, 1999 to accept comments on the City's CDBG program. Since many of the services provided under the CDBG program are related to housing, the City also used the meeting as an opportunity to accept comments on the City's existing housing programs. The meeting was attended by representatives of fair housing advocates, non-profit affordable housing providers, senior citizens groups, and the Apartment Association of Orange County. Some of the concerns raised at the meeting included escalating rents, the need to retain and create additional affordable housing units, and to increase the supply of specialized, affordable units for households with disabled members. Additionally, the City of Laguna Niguel conducted two public hearings before the Planning Commission and two public hearing before the City Council prior to the adoption of the Housing Element. The first public hearings were conducted early in the process of drafting the Housing Element to allow the public an opportunity to provide input into recommended goals, policies, and programs. Public hearings before the Planning Commission were conducted on February 22 and March 14, 2000, and before the City Council on March 21, 2000. After the Draft Housing Element was reviewed and determined to be "certifiable" by the California Department of Housing and Community Development, the Planning Commission and City Council held a second round of public hearings on June 13, 2000 and June 20, 2000, respectively.

Notice of the public hearings was provided by placing an 1/8th page add in the Laguna Niguel News a minimum of 10 days in advance of the public hearings.

I. HOUSING GOALS, POLICIES AND QUANTIFIED OBJECTIVES

A. HOUSING GOALS AND POLICIES

- | | |
|-------------------|---|
| Goal 1 | <u>A diversity of housing opportunities that satisfy the physical, social, and economic needs of existing and future residents of Laguna Niguel.</u> |
| <i>Intent</i> | To promote a balanced inventory of housing in terms of unit type, cost and tenure and range of housing options necessary to support an economically and socially diverse community. Adequate public facilities and services are important in maintaining the quality of life valued by Laguna Niguel residents. |
| Policy 1.1 | Ensure that housing is safe and sanitary with adequate public services to accommodate the needs of City residents. |
| Policy 1.2 | Promote the continued maintenance and enhancement of the existing housing stock. |
| Policy 1.3 | Promote a variety of housing opportunities that accommodate the needs of all income levels of the population. |
| Policy 1.4 | Support innovative public, private, and non-profit efforts in development of affordable housing, particularly for special needs groups. |
| Policy 1.5 | <p>Pursue county, state, and federal assistance to support the development and implementation of housing programs that require financial assistance from public agencies. In pursuing funding opportunities, in distributing grant allocations (such as CDBG), or in assisting other agencies or private entities, the City's decision will be based on the following factors:</p> <ul style="list-style-type: none">• the priority of housing need addressed by the proposed project;• the City's non-housing priorities for the use of an annual funding source (such as CDBG) in relation to the priority of the proposed project;• the likelihood that the proposed project will receive funding from other sources based on those sources' application rating criteria; and• the amount of staff time and other costs required to secure and administer funding in relation to available staff resources. |
| Policy 1.6 | Monitor the number of affordable housing units eligible for conversion to market-rate units and develop programs to minimize the loss of these units. |

Goal 2 Equal housing opportunity for all residents in Laguna Niguel.

- Intent** To prohibit discrimination in housing practices in accordance with national and state fair housing law.
- Policy 2.1** Encourage and support the enforcement of laws and regulations prohibiting the discrimination in lending practices in the sale or rental of housing.
- Policy 2.2** Support actions to reduce regulatory constraints which impede equal housing opportunities.
- Policy 2.3** Ensure that City land use and housing policies and regulations do not create unreasonable barriers to housing and housing support services to special needs population groups such as the elderly, families with children, persons with disabilities, and the mentally ill.

B. QUANTIFIED OBJECTIVES

The purpose of this section is to estimate the maximum number of housing units that could be constructed, rehabilitated, and conserved over the five-year review period between July 1, 2000 and June 30, 2005. This estimate assumes:

- optimum conditions for the production of housing;
- favorable market conditions that will result in the construction of the number of dwelling units shown below; and
- adequate funding assistance for Low- and Moderate-income housing.

State law recognizes that a locality may not be able to satisfy 100 percent of its identified housing needs (including 100 percent of its RHNA allocation for each income group). In light of both the General Plan requirements of State law and the constraints identified in this Housing Element, it is not physically, environmentally, or fiscally possible for the City to fully satisfy all of the identified housing needs. Of the constraints identified in this document, the pre-existing entitlements most severely impact the City's ability to influence the production of affordable housing. Environmental, physical, and market conditions also exert influence on the timing, type, and cost of housing production in a community.

The income groups shown in the quantified objectives table (Table II-1) are based on the 1999 HUD income guidelines, median income for a family of four (\$68,300 for Orange County). A family of four is the standard used by HUD for estimating area median income. In 1999, HUD permitted agencies in Orange County to use a newly calculated, higher median income standard because Orange County is one of several high cost regions of the country as defined by HUD.

Table II-1 Quantified Objectives 2000-2005					
Objective	Very Low < 50 %	Low 50-80 %	Moderate 80-120 %	Above Moderate > 120 %	Total
New Units					
Entitled*	0	0	0	1,054	1,054
Non-entitled**	30	20	33	99	182
Rehabilitation***	0	0	0	0	0
Conservation	207	50	0	0	257
Totals	237	70	33	1,153	1,493

* Number of entitled units to be constructed during the planning period and unable to influence affordability.

** City's proposed distribution based upon the number of non-entitled units where the City may influence affordability and the RHNA distribution rates of affordable units from October 1999.

*** Rehabilitation based upon existing housing conditions. No rehabilitation of substandard units are anticipated.

New Units

A 1997 land use inventory of available residential construction sites indicates that only 1,575 units remain to be constructed in the City before Laguna Niguel is built-out. Of this amount, 1,393 units are already entitled and under construction. These units are predominantly single-family detached dwellings in custom lot subdivisions or market-rate production homes that have been under construction for a number of years.

As is typical of most communities approaching build-out, the most difficult, and hence most costly, land to develop is built last. In the case of Laguna Niguel, this represents hillside custom and single-family detached home development.

Subtracting 1,393 units from the City's anticipated remaining total of 1,575 units, leaves 182 non-entitled units. It is anticipated that these remaining 182 units could be developed at densities that are potentially affordable, with regulatory or financial incentives, to very low-, low-, and moderate-income households. These sites are designated for multi-family development and since they lack entitlements, the City would have more control to require affordable units through the site development permit process.

The City's RHNA allocation of total new units during the planning period is 1,236 units, which if constructed would leave a remaining balance of 339 units to construct until the City is built-out.

It is also important to note that Laguna Niguel was initially designed and developed as a Planned Community under the jurisdiction of the County of Orange. The entitled units were previously

considered the "market rate" portion of a larger pool of units for which a percentage of affordable units have already been provided in the community.

Between 1979 and 1983, the County required that 25 percent of all new residential development with 30 or more units be set-aside as affordable. Subsequent to the Inclusionary Housing Program (IHP), the County administrated its Housing Opportunities Program (HOP) which combined voluntary and mandatory components in order to meet its affordable housing objectives.

The multi-family and apartment projects which comprised the affordable component of the County's programs were built prior to or shortly after the City incorporated in 1989. The real estate market down turn in the early 1990s significantly delayed the construction of the larger single-family detached homes previously considered in the total mix of housing.

Rehabilitation

As stated in this Element's Community Analysis, the City's housing stock is in good condition and a need for rehabilitation is likely very low. Nevertheless, there are over 100 multi-family rental units more than 30 years old that might need varying levels of rehabilitation. It is unlikely that these units might qualify under state law (Government Code Section 65583.1[c]) to be counted toward the City's new housing construction objective unless: 1) they are not currently low-income units, 2) they do not meet current building code standards, 3) they are rehabilitated to meet current building code standards, and 4) they are restricted in occupancy to low-income households through a long-term affordability agreement.

In addition there is an undetermined number of older single-family homes occupied by lower income households who do not have the financial capacity to properly maintain their properties. According to the 1990 U.S. Census, the median year of construction for all housing units in the City is 1986. Since the housing stock is fairly new and in good condition, the City does not anticipate the need for creating rehabilitation programs. Instead, the City will continue its active property maintenance and code enforcement programs in an effort to maintain private properties and reduce the need for future rehabilitation programs.

Conservation

The figures for the number of units to be conserved through 2005 are reflective of Program Number 5, which contains eight corresponding actions. The conservation figures related to each income group are shown in the table below. The conservation objectives in Table II-2 are based on the number of Very Low- and Low-income units that are at-risk between 2000 and 2010.

Table II-2
Preservation of Existing Affordable Housing by Income Category
2000-2010*

Bond and Section 8 Programs						
Project	Location	Program	VL	L	Total Units	Termination Date
Alicia Park	23698 Niguel & Alicia Parkway 92677	FHA - Section 221(D)(4) Section 8 - New Construction	56	0	56	4/4/2004
Country Club Villas	30902 Clubhouse Drive 92677	MRB: Issue U	28	28	56	11/1/2009
Laguna Gardens	24348 Azal Court 92677	MRB: Issue AA, 1985	37	37	74	12/1/2008
Laguna Serrano	30001 Golden Lantern 92677	MRB:	33.5*	33.5*	67	4/12/2000
Niguel Summit I	30252 Pacific Island Drive 92677	MRB: Issue U/Series A, 1985	17	17	34	10/7/2001
Pointe Niguel	29781 Niguel Road 92677	MRB: Issue E/1995	32.5	32.5	65	11/2/2007
Seaview Summit	102 Island 92677	MRB: Issue X, 1995	10	10	20	1/31/2005
Villa La Paz	24275 Avenida Breve 92677	FHA - Section 221(D)(4) Section 8 - New Construction	100	0	100	6/17/91
Totals			314	158	472	

* State law (Government Code Section 65583[a]8) requires a 10-year analysis even though the Housing Element covers the period 2000-2005.

C. PERFORMANCE RELATIVE TO THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)

Section 65583(c) of State law requires each jurisdiction to develop a five-year program designed to meet its housing need. The section further states that if an inventory of new housing sites does not identify adequate sites to meet the regional need, then the program shall provide for sufficient sites with zoning that permits multi-family residential use by right.

(NOTE: This section may be updated once the City's appeal of its RHNA allocation has been resolved.)

The inventory of new housing sites shows a projection of 1,236 total units to be built in the City. The following table shows the regional need for the City of Laguna Niguel.

TABLE II-3 Regional Need from SCAG 1998-2005				
< 50 %	50-80 %	80-120 %	> 120 %	
Very Low	Low	Moderate	Above Moderate	Total
202	138	227	669	1,236

The preceding table of the City's Quantified Objectives is based on the 1999 County median income of \$68,300.

Since the City's proposed Quantified Objectives (Table II-1) are different from the regional need identified by SCAG and contained in Table II-3, the City has identified four sufficient sites with zoning which permits multi-family residential use by right. Table II-4 summarizes the information on the available sites.

TABLE II-4 Available Sites				
Site	Acres	Proposed Dwelling Units	Proposed Density	Housing Type
Shapell	15.5	173	± 11 du/ac	Multi-family
Park Niguel	1	9	± 9 du/ac	Multi-family
Shea Properties	9.1	228	± 25 du/ac	Senior Apartments
Shepard of the Hill	4.1	104	± 25 du/ac	Senior Apartments
TOTAL	29.7	514	17.5 du/ac	

Note: du/ac = dwelling units per acre

The Shapell site is a 15.5 acre parcel located in the northern-most portion of the City just South of the San Joaquin Hills Corridor. The site is designated multi-family residential in the General Plan and similarly zoned. The 15.5 acre site could accommodate 173 units of multi-family housing. The site is subject to an existing Affordable Housing Implementation Agreement between the County and Shapell Industries. The agreement allows for the construction of housing affordable to low and moderate income groups.

The Park Niguel site is zoned and designated for multi-family housing. The site could accommodate up to nine units. The property is located in the center of the City on the south side of Community Park Road, north of Crown Valley Parkway.

The Shea Properties site is located along the City's eastern boundary, east of the Street of the Golden Lantern. The site is zoned Commercial with a Managed Care Overlay. The Managed Care Overlay encourages the construction of higher density senior housing. At a density of 25 units per acre, a total of 228 units could be constructed on the 9.1 acre site.

The Shepard of the Hill property is located near the south-east corner of the intersection of Niguel Road and Crown Valley Parkway. The site is zoned Commercial with the Managed Care Overlay. At a density of 25 units per acre, a total of 104 units could be constructed on the 4.1 acre site.

In total, the four properties provide available sites for the construction of up to 514 multi-family units which would satisfy the City's regional need for 340 units. Additional housing units could be constructed on the multi-family sites if proposed future projects qualify for density bonuses.

II. CITY OF LAGUNA NIGUEL HOUSING PROGRAMS

This section of the Housing Element Housing Plan identifies specific actions that the City will take to implement the goals and policies of the Housing Element over the next review period between 2000 and 2005. Pursuant to State law, the Housing Plan for Laguna Niguel must be designed to accomplish the following:

- Provide adequate sites to achieve a variety and diversity of housing.
- Facilitate the development of affordable housing.
- Address, and if necessary remove, governmental constraints.
- Conserve and improve existing affordable housing stock.
- Promote equal housing opportunity.

The housing programs are organized according to the above issue areas. Included in each program is a description of the program's objective and a series of implementing actions. In some instances, the program actions are a continuation of previous implementation efforts undertaken by the County of Orange, prior to the incorporation of Laguna Niguel. Several changes to programs are also included to address new conditions in the City since 1992 and the City's experience in implementing the 1992 Housing Element.

A Housing Plan Summary follows the programmatic descriptions. The matrix summarizes the intent of each program and identifies an objective, funding source, and agency responsible for implementation and time frame. This format provides a quick reference for users of this document and will facilitate an evaluation of the City's achievements in the next Housing Element update cycle.

PROGRAM 1 PROVISION OF ADEQUATE HOUSING SITES

Objective: Identify and monitor the use of vacant land for the construction of new housing units to meet the City's identified housing need in the SCAG RHNA allocation for Laguna Niguel.

Action 1: The City has identified housing sites for the production of 1,236 dwelling units, which will be made available through appropriate land use designations and zoning for the construction of housing units for a variety of income levels in order to meet the City's regional housing need pursuant to section 65584 of the Government Code. The City's RHNA allocation is 1,236 units for the period January 1, 1998 through June 30, 2005. Of the total units the City can accommodate, 182 can be developed on two sites zoned for multi-family use. All other sites can accommodate single-family custom and market-rate production homes. The City has no legal means of changing the designation of the other 1,054 homes anticipated to be constructed during this review period. The City has appealed the RHNA allocation and instead has proposed the distribution of units as shown in Table II-1.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Designation of sites has been completed; monitoring of use is ongoing.

Potential Funding: General Fund.

Quantified Objective: Maintenance of residential sites for at least 1,236 additional dwelling units between January 1, 1998 and June 30, 2005.

Action 2: The City will determine whether any undeveloped entitled parcels within properties covered by previous entitlements or vested subdivision maps are suitable for consolidation and redesignation as multi-family sites to meet Low- or Moderate-income housing needs. If the City determines that one or more parcels is suitable for redesignation, it will contact the property owner(s) and determine the owner's interest in amending the subdivision map and development plans to accommodate multi-family development. If the developer is interested in pursuing such an amendment, the City will assist the property owner to the greatest extent possible with the re-entitlement/amendment process.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Evaluate status of residential vacant sites and contact property owners by July 2001 (if sites suitable for rezoning are identified).

The Community Development Department will report to the City Council in August 2001 on the results of the evaluation and property owner contacts (if any).

Potential Funding: General Fund.

Quantified Objective: Unable to quantify an objective until the site evaluation has been completed.

PROGRAM 2 SITES FOR THE HOMELESS AND EMERGENCY SHELTERS

Objective: Promote and assist in the development of emergency shelters and transitional housing.

Action 1: The City shall continue to monitor homeless needs in Laguna Niguel.

(Note: The City has not identified a local homeless population or a significant incidence of temporary homelessness due to financial hardship, domestic violence, or other factors. Should ongoing monitoring indicate a need in the future, Laguna Niguel will continue its participation in the Orange County Homeless Issues Task Force and allocate an appropriate level of CDBG funding in relation to the local need.)

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Ongoing.

Potential Funding: General Fund.

Monitoring: Orange County Homeless Task Force: CDBG Program.
Development of emergency or transitional housing: California Emergency Housing Assistance Program or Multifamily Housing Program.

Quantified Objective: N/A.

Action 2: The City will continue implementing its Zoning Ordinance, which allows for emergency shelters and transitional housing with or without discretionary approval in specified non-residential zones.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Zoning Code adopted February 1999. Provisions allowing for homeless and transitional facilities to be implemented by the City as requested by homeless and transitional housing providers.

Potential Funding: General Fund.

Quantified Objective: N/A.

Action 3: The City will continue to implement the Managed Care Overlay District that permits senior and handicapped housing facilities in specified non-residential zones.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Zoning Code adopted February 1999. Implementation is current and ongoing.

Potential Funding: General Fund.

Quantified Objective: N/A.

PROGRAM 3 AFFORDABLE HOUSING DEVELOPMENT

Objective: Promote and assist in the development of housing for low- and moderate-income households.

Action 1: Administer the City's affordable housing regulations (Subarticle 3, Section 9-1-37 of the Laguna Niguel Zoning Code) regarding the provision of incentives or regulatory concessions to encourage development of affordable housing in accordance with Government Code Section 65915. These provisions of State law require the City to provide a density bonus of at least 25 percent and one other incentive if a developer agrees to provide at least 10 percent of the dwelling units in a development at prices/rents affordable to very low-income households, or 20 percent of the units affordable to Low-income households, or 50 percent of the units for senior citizen households.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Ongoing.

Potential Funding: General Fund.

Quantified Objective: N/A.

- Action 2:** The City will encourage developers of remaining residential sites to use available state and federal funding and/or tax credits for the construction of low- and moderate-income housing on these sites by considering the modification of development standards, or one or more other financial incentives consistent with State law as outlined above in Action 1 of this Program. The City will assist interested developers in accessing funding for private, local, state, or federal programs if needed to develop a low- or moderate-income project.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: 2001/2002.

Potential Funding:

For new construction: HOME Investment Partnership Program, Mortgage Revenue Bonds, state or federal tax credits, state Pre-development Loan Program, private foundation (source to be determined).

For supportive child care services: California Child Care Facilities Finance Program.

Quantified Objectives: One or more multi-family rental projects providing at least 10 units affordable to Very Low-income households and 30 units affordable to Low-income households.

- Action 3:** The City will continue to encourage the production of housing designed specifically for special needs population groups in conjunction with density bonuses and/or regulatory incentives described in Action 1 of this Program.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: January 1, 2001.

Potential Funding:

For new Construction: Federal Section 202 Program, Federal Section 8 New Construction Program, Home Investment Partnership Program, Mortgage Revenue Bonds, state or federal tax credits.

For mortgage insurance: Federal Section 231 Program.

For supportive services: Federal Section 811 Program.

Quantified Objective: Depends on interest by private for-profit or non-profit developer in accessing Section 202 funds for senior citizen or handicapped Low-income housing. Some or all Very Low- or Low-income units created under this program may be the same units created under Action 1 and 2 of this Program.

- Action 4:** In accordance with Sections 65852.1 and 65852.2 of the Government Code, the City will continue to implement a Granny Flat Ordinance and a second unit ordinance that allows for the construction of granny flats and second units on single family lots in residential areas.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Current and ongoing.

Potential Funding: General Fund.

Quantified Objective: Approve 15 second dwelling units over five years.

- Action 5:** Contact the owners of remaining vacant land designated for multifamily use to determine their interest in using regulatory and financial incentives to construct one or more projects that include dwelling units affordable to lower income households. Assist in obtaining private, state or federal funding for the construction of affordable units.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Contact property owners by July 2001. Apply for state/federal funding as appropriate. Construct units in 2001/2002.

Potential Funding: Home Investment Partnership Program funds, Mortgage Revenue Bonds, Section 8 New Construction, California Multi-family Housing Program, state or federal tax credits.

Quantified Objective: See quantified objective for Program 1, Action 2.

PROGRAM 4 REMOVAL OF GOVERNMENTAL CONSTRAINTS

Objective: To remove as many governmental constraints as feasible, in order to help encourage and promote the construction of housing affordable to Low- and Moderate-income households.

Action 1: The City will evaluate vacant properties covered by vested subdivision maps to determine opportunities for amending these agreements to consolidate individual lots to create an affordable multi-family housing development.

Implementation

See Program 1, Action 2, and Program 3, Action 5 for implementation.

PROGRAM 5 CONSERVE AND IMPROVE EXISTING HOUSING AFFORDABLE TO LOW AND MODERATE INCOME HOUSEHOLDS

Objective: To conserve and improve existing housing which is affordable to low- and moderate-income households.

Action 1: Conserve 277 of 472 rental units currently affordable to Very Low- and Low-income households that are at-risk of converting to market rate housing between 2000 and 2005 (note: 277 units are at-risk during this reporting period; the remaining 195 units will be at-risk after 2005). The City's strategy will be to:

- a. Contact the owners of the six properties at-risk between 2000 and 2005 to determine their willingness to maintain their rental units as affordable housing in exchange for appropriate financial incentives.
- b. Ascertain the rehabilitation needs and cost, if any, of at-risk rental projects.
- c. Contact nonprofit housing organizations with experience in the Orange County housing market that may have an interest in acquiring and managing properties whose owners do not wish to continue as affordable housing.
- d. Assist current property owners and/or interested nonprofit housing organizations in accessing funding to maintain at-risk unit as affordable housing.

Implementation

Responsible Agency: Laguna Niguel Community Development Department. City Council to authorize City participation in any funding or funding requests to other public agencies.

Timeframe: Contact property owners initially by December 2000. Re-contact owners within one year of termination date, and again within six months (if necessary). Contact interested non-profit housing organizations as needed to participate in the conservation of at-risk housing. Assist in accessing funding as needed to conserve at-risk housing.

Potential Funding: Depends on the amount and purpose of funding needed (acquisition only, rehabilitation only, acquisition and rehabilitation, etc.).

Possible funding sources include:

General Fund (for staff time)

Mortgage Revenue Bonds (acquisition or construction of replacement units)

California Multi-family Housing Program (construction of replacement units)

Federal Section 8 New Construction Program (construction of replacement units)

Federal Section 223 Program (refinancing of low income rental projects).

Quantified Objective: Conservation of 277 at-risk units between 2000 and 2005.

- Action 2:** Continue the City's active property maintenance program run by the Code Enforcement Division of the Community Development Department. Under this program, review housing for building and health code violations and general property maintenance. The program will maintain the City's existing housing stock in good condition to prevent the need for rehabilitation.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Current and ongoing.

Potential Funding: General Fund; inspection fees.

Quantified Objective: Retain existing housing stock.

- Action 3:** Encourage apartment owners to list available rental units with the Orange County Housing Authority for the Section 8 rental assistance program.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Current and ongoing.

Potential Funding: General Fund.

Quantified Objective: N/A.

- Action 4:** Participate in existing Homesharing Programs which benefit Laguna Niguel residents. This program is designed to match people with limited incomes, typically seniors, seeking housing as well as owners that wish to share their homes.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Current and ongoing.

Potential Funding: General Fund/CDBG Funding.

Quantified Objective: 12 persons per year.

- Action 5:** Publicize and encourage the participation in the Reverse Mortgage Program and refer eligible homeowners to the County Housing Authority and/or the South County Seniors.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Current and ongoing.

Potential Funding: General Fund.

Quantified Objective: N/A.

- Action 6:** The City will provide technical information to local groups and individuals about home sharing programs, shared equity programs, and reverse mortgage programs, and provide referral services to eligible homeowners.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Current and ongoing.

Potential Funding: General Fund.

Quantified Objective: N/A.

Action 7: Continue to administer the City's Condominium Conversion Ordinance.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Current and ongoing.

Potential Funding: General Fund; permit fees from condominium conversions.

Quantified Objective: Preservation as rental units, rental apartments occupied by Very Low-, Low-, and Moderate-income households.

Action 8: Require the replacement of low-income units converted or removed in the Coastal Zone according to the requirements of Government Code Section 65590. The program shall also include a component to monitor the construction, demolition, and conversion of units affordable to Low- and Moderate-income households in the Coastal Zone.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Community Development Department to report to City Council by December 2000 on estimated number of units in the Coastal Zone occupied by Low- or Moderate-income households.

Community Development Department to monitor in ongoing basis any permit for conversions or demolitions affecting dwelling units occupied by low- or moderate- income households.

City to require owners of such units to comply with State law regarding replacement housing and/or payment of relocation expenses.

City will determine on case-by-case basis appropriateness of providing financial assistance for relocation or replacement housing costs.

Potential Funding: General Fund for reporting and ongoing monitoring CDBG funds for relocation expenses (Low-income only). Other funding sources listed in Program 5, Action 1 for construction of replacement housing.

Quantified Objective: Unknown.

PROGRAM 6 PROMOTE EQUAL HOUSING OPPORTUNITY

Objective: Promote equal housing opportunity for all residents of Laguna Niguel.

Action 1: Continue to support the activities of the Orange County Fair Housing Council and provide referrals to this organization when appropriate.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Annual and ongoing.

Potential Funding: CDBG.

Quantified Objective: N/A.

PROGRAM 7 HOUSING ELEMENT MONITORING AND REPORTING

Objective: To develop monitoring and reporting programs for the Housing Element and ensure the Housing Element is internally consistent with other elements of the General Plan.

Action 1: Report to the City Council annually on the progress of Housing Element programs. This report is to be distributed to the Department of Housing and Community Development and the Governor's Office of Planning and Research, in accordance with State Housing Element Law.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: Report to the City Council by August 1 of each year on the implementation of the Housing Element.

Potential Funding: General Fund.

Quantified Objective: N/A.

Action 2: Require social service agencies and non-profit organizations that receive CDBG funding from the City to record information on the residences of clients served.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: The City will require agencies receiving CDBG funds to provide quarterly reports on their activities in a format consistent with the City's annual CDBG reporting requirements to the federal government.

Potential Funding: CDBG.

Quantified Objective: N/A.

Action 3: Whenever land use regulations, land use designations, or housing programs are proposed for adoption or modification, the Community Development Department shall analyze the proposed changes to determine consistency with the Housing Element and other elements of the General Plan.

Implementation

Responsible Agency: Laguna Niguel Community Development Department.

Timeframe: As amendments are proposed.

Potential Funding: General Fund.

Quantified Objective: N/A.

**Table II-5
Housing Plan Summary**

Program 1: Provision of Adequate Housing Sites	Action	Funding Source	Responsible Agency	Timeframe
Objective: Identify and monitor the use of vacant land for the construction of new housing units to meet the City's identified housing need in the SCAG RHNA allocation for Laguna Niguel.	1	General Fund	Community Development Department	Ongoing
	2	General Fund	Community Development Department	Two Years

Program 2: Sites for the Homeless and Emergency Shelters	Action	Funding Source	Responsible Agency	Timeframe
Objective: Promote and assist in the development of emergency shelters and transitional housing.	1	General Fund, CDBG, and California Emergency Housing Assistance Program or Multi-family Housing Program	Community Development Department	Ongoing

Program 3: Affordable Housing Development	Action	Funding Source	Responsible Agency	Timeframe
Objective: Promote and assist in the development of housing for Low- and Moderate-income households.	1	General Fund	Community Development Department	Ongoing
	2	HOME, Mortgage Revenue Bonds, state or federal tax credits, state Pre-development Loan Program, private foundation, California Child Care Facilities Finance Program	Community Development Department	2001/2002
	3	Federal Section 202, Federal Section 8 New Construction Program, HOME Mortgage Revenue Bonds, state or federal tax credits, Federal Section 321, Federal Section 911 Program	Community Development Department	One Year

Program 3: Affordable Housing Development	Action	Funding Source	Responsible Agency	Timeframe
	4	General Fund	Community Development Department	Current and ongoing
	5	HOME, Section 8 New Construction Program, Mortgage Revenue Bonds, state or federal tax credits, California Multi-family Housing Program	Community Development Department	Three Years

Program 4: Removal of Governmental Constraints	Action	Funding Source	Responsible Agency	Timeframe
Objective: To remove as many governmental constraints as feasible, in order to help encourage and promote the construction of housing affordable to Low- and Moderate income households.	1	General Fund	Community Development Department	Two Years

Program 5: Conserve and Improve Existing Housing Affordable to Low and Moderate Income Households.	Action	Funding Source	Responsible Agency	Timeframe
Objective: To conserve and improve existing housing which is affordable to low- and moderate-income households.	1	General Fund, CDBG, and California Emergency Housing Assistance Program or Multi-family Housing Program	Community Development Department	Ongoing
	2	General Fund, inspection fees, CDBG, HOME, California Multi-family Housing Program	Community Development Department	Current and Ongoing
	3	General Fund	Community Development Department	Current and Ongoing
	4	General Fund/CDBG Funding	Community Development Department	Current and Ongoing

Program 5: Conserve and Improve Existing Housing Affordable to Low and Moderate Income Households.	Action	Funding Source	Responsible Agency	Timeframe
	5	General Fund	Community Development Department	Current and Ongoing
	6	General Fund	Community Development Department	Current and Ongoing
	7	General Fund and permit fees from condominium conversions	Community Development Department	Current and ongoing
	8	General Fund, CDBG, Mortgage Revenue Bonds, California Multi-family Housing Program, Federal Section 223 Program	Community Development Department	Ongoing

Program 6: Promote Housing Opportunity	Action	Funding Source	Responsible Agency	Timeframe
Objective: Promote equal housing opportunity for all residents of Laguna Niguel.	1	CDBG	Community Development Department	Annual and Ongoing

Program 7: Housing Element Monitoring and Reporting	Action	Funding Source	Responsible Agency	Timeframe
Objective: Develop monitoring and reporting programs for the Housing Element and ensure the Housing Element is internally consistent with other elements of the General Plan.	1	General Fund	Community Development Department	Annually
	2	CDBG	Community Development Department	Quarterly
	3	General Fund	Community Development Department	As needed

III. HOUSING NEEDS ASSESSMENT

A. POPULATION CHARACTERISTICS

According to 1990 U.S. Census data, the City of Laguna Niguel has steadily grown from a population of 44,400 persons at the time of the City's incorporation in 1989 to 59,166 persons in 1999. Increasing by over a thousand people each year, this 33 percent growth rate was more than double the growth rate for Orange County as a whole, which increased in population by 15.1 percent during the same period. As shown in Table III-1, the rate of growth in Laguna Niguel and Orange County has fluctuated throughout the past decade. Population growth in Orange County fluctuated between 1 percent and 2 percent during the past decade. Laguna Niguel has experienced greater annual fluctuations, largely due to differences in the rate of homebuilding among the City's master planned communities and an overall slowdown in the rate of housing since the mid-1990s. The growth rate dropped from a high of 7 percent in 1990-91 to a low of 2 percent since 1995. The lower growth rate is due to build-out and lower living costs in nearby cities. It is expected that the City's rate of growth will continue at a modest pace over the next five years as the City approaches build-out of its residential areas.

Orange County's growth rate during the 1980s was 24.7 percent, while the state experienced a slightly higher growth rate of 25.7 percent.

Table III-1				
Population Trends for Laguna Niguel				
Year	City		County	
	Population	Growth Rate	Population	Growth Rate
1990	44,400	--	2,410,556	--
1991	47,850	7%	2,443,700	1%
1992	50,100	5%	2,488,725	2%
1993	52,500	5%	2,533,250	2%
1994	53,900	3%	2,569,050	1%
1995	54,800	2%	2,597,075	1%
1996	55,700	2%	2,632,375	1%
1997	56,700	2%	2,677,375	2%
1998	58,100	2%	2,734,375	2%
1999	59,166	2%	2,775,619	2%

Source: California Department of Finance Historical City/County Population Estimates
1990-1999, with 1990 Census Counts.

SCAG's 1998 forecasts predict that population growth in Orange County will grow at a rate of approximately 5 percent every five years (SCAG, 1998 RTP Adopted Forecast, April 1998). SCAG's total projected population growth rate for the years 2000 through 2020 is 21 percent. Also, SCAG forecasts project that the number of households in Orange County will increase by approximately 5 percent every five years, as shown in Table III-2.

Table III-2						
SCAG Projections						
	1994	2000	2005	2010	2015	2020
Households						
Orange County	868,200	910,000	952,500	1,013,000	1,064,400	1,102,300
Laguna Niguel	20,373	20,957	21,550	22,396	23,115	23,644
Population						
Orange County	868,227	910,009	952,467	1,012,975	1,064,387	1,102,277
Laguna Niguel	54,075	57,255	59,126	60,502	61,260	62,258

Source: SCAG, 1998 RTP Adopted Forecast, April 1998.

Ethnicity

Table III-3 indicates that the White population was by far the largest racial/ethnic group within the City in 1990. Laguna Niguel had higher percentages of Whites (88%) and Asian/Pacific Islanders (8%) than either the County or the State. However, the City also had significantly lower percentages of Blacks, Hispanics, Native Americans, and other races when compared to the County and State. As shown on Table 4, the Hispanic population represents a small percentage of the population in Laguna Niguel, but represents a quarter of the State population.

Table III-3						
Persons by Race in 1990						
Race*	City Population	Percent of Population	County Population	Percent of Population	State Population	Percent of Population
White	39,254	88%	1,896,724	79%	20,555,653	69%
Black	659	1.4%	41,632	2%	2,198,766	17%
Asian/Pacific Islander	3,392	8%	250,136	10%	2,847,835	10%
Native American	145	0.2%	12,834	1%	248,929	1%
Other	950	2.4%	209,230	9%	3,908,838	13%
Total	44,400	100%	2,410,556	100%	29,760,021	100%

Source: 1990 US Bureau of Census

*Population of Hispanic origin may be of any race and are reflected in the total population counts by race.

Table III-4
Persons by Hispanic Origin in 1990

Race	City Population	Percent of Population	County Population	Percent of Population	State Population	Percent of Population
Non-Hispanic	40,933	92 %	1,853,599	77 %	22,202,471	75 %
Hispanic*	3,467	8 %	556,957	23 %	7,557,550	25 %
Total	44,400	100 %	2,410,556	100 %	29,760,021	100 %

Source: 1990 US Bureau of Census

*Population of Hispanic origin may be of any race and are reflected in the total population counts by race.

Age

Table III-5 indicates the age distribution in Laguna Niguel residents in 1990. The largest percentage of the population was between 30 and 40 years of age, which is representative of the average population distribution trends of the nation as a whole. Like national averages, the population will age and the number of elderly persons will increase, which will change housing needs in the future. For example, often the elderly population owns their housing units, yet cannot afford repair and rehabilitation due to income limitations. Therefore, housing needs for home repair, elderly assistance, and housing rehabilitation will increase as the elderly population increases.

In comparison, the largest percentage of the County's population was in the 18 to 29 age group. The County had a smaller percentage of people between the ages of 30 and 50. Ten years have passed since the census was taken, and people have aged into the next age grouping since 1990, resulting in a larger population over age 65. However, since people change their residences approximately every seven years, people have moved in and out of the community since 1990, possibly affecting age distribution. Therefore, it may be incorrect to assume that age distribution has increased at an equal rate between each age group. Although the current age distribution cannot be determined, in general, the population has aged and there are more senior residents than in 1990.

Since Laguna Niguel is composed primarily of middle-aged adults that are most able to afford adequate housing, the need for elderly housing or housing for young adults was not as prevalent during the 1990s. During the next ten years, however, an increasing percentage of older adults will reach retirement age. A higher demand for single family homes will prevail until enough of the population reaches an advanced age at which time assisted housing options or managed care better meets their needs.

Table III-5 Age Distribution in the City of Laguna Niguel				
Age	Population		Percent of Population	
	City	County	City	County
Under 5 years	3,742	183,339	8%	8%
5 to 17 years	6,802	404,576	15%	17%
18 to 29 years	7,847	544,794	18%	23%
30 to 39 years	10,013	437,997	23%	18%
40 to 49 years	7,531	324,700	17%	13%
50 to 65 years	5,096	296,159	11%	12%
Over 65 years	3,069	218,991	7%	9%
Total	44,400	2,410,556	100%	100%

Source: 1990 US Bureau of Census

B. HOUSEHOLD CHARACTERISTICS

1. Household Size

According to the 1990 US Census data, the majority of the 17,172 households in Laguna Niguel were two-person households, followed by three-person households and single persons as shown in Table III-6. Analysis of the number of people per household in 1990 reveals that the majority of households in the City and County were two-person households at 39 percent and 32 percent respectively. The City had a slightly higher percentage of three-person households than one-person households, and low percentages of five or more person households. In contrast, the County had a higher percentage of one-person households than three-person households, and a higher percentage of five or more person households than the City.

Table III-6 Persons in Household 1990				
Household Type	Laguna Niguel	Percent	Orange County	Percent
1 person	3,184	19%	171,119	21%
2 persons	6,637	39%	266,598	32%
3 persons	3,331	19%	144,942	18%
4 persons	2,729	16%	125,433	15%
5 persons	922	5%	58,515	7%
6 persons	254	1%	27,042	3%
7 or more persons	115	1%	33,417	4%
Total	17,172	100%	827,066	100%

Source: 1990 US Bureau of Census Data.

2. Household Type

The U.S. Census Bureau considers all people living in a dwelling unit as a household, whether or not they are related. People living in retirement and convalescent homes, dormitories or other group living situations are not considered households. Households can be organized into families, but not all households are defined as families. According to 1990 US Census Data there were 12,589 families in Laguna Niguel comprised of different family organizational structures as shown on Table III-7. Families are not limited to parent, spouse, and child relationships. Grandchildren, other relatives, and others living within a family setting are considered families. Single adults living separately or together, are not considered families, but are considered households.

Table III-7	
Household Type and Relationship	
Family Households	
Relationship	Number of People
Head of House	12,589
Spouse	10,726
Born to or Adopted Children	12,064
Step-children	618
Grandchildren	137
Other relatives	1,266
Non-relatives	597
Non-Family Households	
Male head of house living alone	1,317
Male head of house not living alone	877
Female head of house living alone	1,826
Female head of house not living alone	629
Non-relatives	1,739
Group Quarters	
Institutionalized persons	15
Other persons in group quarters	0

Source: 1990 US Bureau of Census

There were approximately 6,089 households with children under age 18 years in 1990 as shown in Table III-8. Most households with children were married-couple households (84 percent), although 13 percent of households with children were female-headed households. However, households with children comprise 36 percent of the total number of households in Laguna Niguel. In comparison, Laguna Niguel has more households with children under age 18 years (36 percent) than Orange County (33 percent). Orange County has a lower percentage of married-couple

households with children (82 percent), but a higher percentage of male-householders (5 percent) and female householders (14 percent) with children.

Since most young children under age 18 years are in married-couple households, households with children in Laguna Niguel are less likely to be in need child support services or financial support services since two parents are available to raise and/or financially support the children rather than single mothers whom have more difficulty finding affordable housing. However, an overwhelming majority of single-parent households were female householders whom often require support services for their children because they receive lower wages than their male counterparts. It should be noted that households with children do not comprise a majority of households in Laguna Niguel. Therefore, the need for child support services would be small compared to the need for assisted housing units as 64 percent of all households do not have children.

Table III-8			
Household Type and Presence of Children Under Age 18			
Household Type	Households with Children	% of Households with Children	% of all Households
Laguna Niguel			
Married Couple	5,126	84 %	30 %
Other Family - Male Householder	169	3 %	1 %
Other Family - Female Householder	794	13 %	5 %
Total	6,089	100 %	36 %
Orange County			
Married Couple	231,247	82 %	28 %
Other Family - Male Householder	13,740	5 %	< 1 %
Other Family - Female Householder	38,750	14 %	5 %
Total	283,737	100 %	33 %

Source: 1990 US Bureau of Census

There are 12,589 families in Laguna Niguel. Approximately 10,260 children under age 18 years were within a family environment consisting of their born-to or adopted parent(s), as shown in Table III-9. Approximately 84 percent of children within a family in Laguna Niguel and Orange County are in a married-couple family. Male-headed families in the City and County tended to have a higher percentage of children age 5 years and under and age 12 to 17 years, while female-headed families in the City and County tended to have more children between the ages of 6 and 17 years. Married couples in the City and County had a higher percentage of children age 5 years and under than children age 6 to 17 years.

Married couples are more inclined to have younger children than single-parent households because divorce, separation, or other circumstances usually do not occur until children are older. Of the single parent households, males tended to have a higher percentage of very young children and older children, who usually demand more financial support than children age 6 to 11. However, female-headed households had a higher number of children of all ages than male-headed households. As discussed above, female-headed households are more in need of financial or support services than male-headed households due to disparities in income. Since most children are in a married couple family, the need for outside support for single mothers is small.

Table III-9
Family Type and Age of Children

Age	Children in Married Couple Family		Children in Male-Headed Family		Children in Female-Headed Family	
	City	County	City	County	City	County
5 and under	3,838	163,928	119	8,054	252	15,580
6 to 11 years	2,789	145,392	32	6,122	533	21,691
12 to 17 years	2,081	125,946	112	7,077	504	25,632
Total	8,708	435,266	263	21,253	1,289	62,903

Source: 1990 US Bureau of Census

3. Household Income

Households can also be characterized by income and are described according to four income group categories. Each of the four categories measures a household's ability to afford housing based on their income compared to the County's median income. Households in the very low-income category earn 50 percent or less of the median area income (in Orange County) while low-income households earn between 50 percent and 80 percent of the area median income. Moderate-income households earn between 80 percent and 120 percent of the area median income and above moderate-income households earn above 120 percent of the median income.

Table III-10 compares household income percentages between Laguna Niguel and Orange County. The median household income in Orange County was \$45,922 in 1989. Based on this figure, the table shows that, while the County experienced an income distribution of primarily very low- and above moderate-incomes, the City's distribution had a comparatively lower percentage of very low- income households, increasing to a high percentage of above moderate household income. Approximately 71 percent of the City's households had moderate- or above moderate-incomes.

Table III-11 compares 1989 and 1999 income levels in Orange County for one person to eight person households. According to HUD, the median income for Orange County in 1999 is \$68,300, an increase of (31 percent) since 1989. However, HUD's median income for Orange County is artificially inflated because of high living costs in the County. HUD inflates the median income so that more people can qualify for housing assistance since housing costs are

exceptionally high in Orange County compared to other areas. The 1989 income levels differ between Tables III-9 and III-10 because the 1990 U.S. Census and HUD cite different median incomes. The 1990 U.S. Census states that the 1989 median income was \$45,922, while HUD lists the 1989 median income as \$52,200. However, neither HUD nor the 1990 U.S. Census provide a break-down of household data useful for both tables. Therefore, the 1990 U.S. Census data was used in Table III-9 to show the number and percentage of households within each income group and HUD data was used for Table III-10.

People in the above moderate-income group experienced a higher amount of real dollar increase than those in the very low-income group, although all income groups experienced a 49 percent income growth rate. Therefore, people with higher incomes are able to afford a variety of housing options, while lower income groups have fewer opportunities to expand their housing options.

Table III-10
Households by Income Group in 1989

Income Group	Income Criteria	Laguna Niguel	Orange County
Very Low	Less than \$22,961	2,055 (12 %)	217,402 (26 %)
Low	\$22,961 - \$36,737	2,244 (13 %)	111,597 (14 %)
Moderate	\$36,737-\$55,106	3,193 (19 %)	173,034 (21 %)
Above Moderate	\$55,106 and up	9,746 (56 %)	326,816 (39 %)
Total	--	17,238 (100 %)	828,849 (100 %)

Source: 1990 US Bureau of Census

Table III-11

Comparison of Household Income Categories in 1990 and 1999
(Based on Orange County Median Income for Four-Person Household)*

Income Group	Income Level in 1990		Income Level in 1999			
Very Low	\$26,100		\$34,150			
Low	\$41,760		\$47,800			
Median	\$52,200		\$68,300			
Moderate	\$62,640		\$81,960			
Federal Income Guidelines**						
Number of Persons in Household	Very Low Income Limit		Low Income Limit		Moderate Income Limit	
	1990	1999	1990	1999	1990	1999
One	\$18,250	\$23,900	\$28,131	\$33,450	\$43,870	\$57,350
Two	\$20,810	\$27,300	\$32,710	\$38,250	\$50,010	\$65,550
Three	\$23,300	\$30,750	\$37,170	\$43,000	\$56,510	\$73,750
Four	\$26,100	\$34,150	\$41,760	\$47,800	\$62,640	\$81,950
Five	\$28,190	\$36,900	\$45,100	\$51,600	\$67,651	\$88,500
Six	\$30,160	\$39,600	\$48,260	\$55,450	\$72,390	\$95,050
Seven	\$32,270	\$42,350	\$51,640	\$59,250	\$77,450	\$101,600
Eight	\$34,530	\$45,100	\$55,250	\$63,100	\$82,880	\$108,150

Source: HUD 1990 and 1999 Income Guidelines, Orange County Housing and Community Development Department.

- Based on County income categories for a household of three persons: very low = <50% of county median income; low = 50-80% of county median income; moderate = 80-100% of county median income; above moderate = 100-120% of county median income

** Based on federal income guidelines: very low = <50% of county median income; low = 50-80% of county median income; moderate = 80-120% of county median income

a. Poverty

According to 1990 U.S. Census data, approximately 3 percent of the City's population was below the poverty level, which ranged from \$6,652 for a single person to \$19,561 for a family with five children. Of people below the poverty level, 84 percent were White and 10 percent were Asian/Pacific Islander, which corresponds to the overall population. However, in comparison to ethnic population distribution, other minorities had a slightly disproportionately higher rate of poverty than Whites. Most impoverished Whites were adults age 18 to 64 followed by children under age 5, whom were most likely the children of the impoverished adults.

By comparison, 8 percent of the County's population was below the poverty level and 62 percent of the impoverished were White as compared to a total White population percentage of 79 percent. Blacks and American Indians comprised equal percentages of impoverished as represented in the total population (2 percent and 1 percent respectively). Although Asian/Pacific Islanders comprise 10 percent of the total population, they represent 16 percent of the impoverished. Likewise, other races represent 9 percent of the total population, but 19 percent of all impoverished persons in the County. 1990 U.S. Census data for the State reveal that approximately 18 percent of the total population is below the poverty level, with poverty rates of 64 percent White, 17 percent Other, 11 percent Black, 7 percent Asian/Pacific Islander, and 1 percent American Indian. Blacks and other races in the State represent a higher percentage of people below the poverty level than Whites and Asian/Pacific Islanders. Laguna Niguel has a comparatively lower percentage of people below the poverty level, but a similar racial composition of the impoverished as the State. The County's poverty percentages were not representative of the State or similar to Laguna Niguel.

The majority of people below the poverty level in Laguna Niguel were age 18 to 65 years (66 percent). Children age 17 years and younger comprised 29 percent of all impoverished people. The majority of these children were age 5 and under, and are likely the children of young single White mothers whom are female heads of household. These women with children comprise nearly 60 percent of all impoverished households with children. Only 6 percent of all impoverished persons were age 65 or older, and all were White. The poverty rates for each age group correlated to approximately 3 percent of each age group's total population. Since there are few elderly persons below the poverty level, efforts to lower the number of persons in poverty should focus on adults with children.

C. EMPLOYMENT TRENDS

1. Area Profile of Employment

SCAG County Employment Projections prepared in 1998 forecast a stable employment market, growing approximately 11 percent every 5 years from 1,381,700 employees in 2000 to 2,116,600 employees in 2020 (SCAG, 1998 RTP Adopted Forecast, April 1998). "White collar" employers, specifically those involved in retail sales, finance, insurance, real estate, and manufacturing distribution, were the primary industries in the City. Most positions in these industries held by residents were managerial and professional, sales, and administrative support. The major employers in Laguna Niguel are Walmart, Mervyns, the Federal Government, Ralphs, Vons, Albertsons, Costco, Mercedes Benz of Laguna Niguel, Allen Cadillac, and the County Courthouse/Regional Facility. Of these ten employers, the majority are retail, primarily supermarket and warehouse chains. The City will add 11,136 jobs through build-out according to SCAG projections. Therefore, the projected employment figure at build-out is 23,259 persons. These jobs are mostly low and moderate wage positions that, if filled by primary wage earners from outside the Laguna Niguel area could increase the local demand for affordable housing.

According to State Employment Development Department (EDD) 1995-2002 projections data for Orange County, retail sales, general management, general office clerks, and cashiers are the major occupations in the County. Approximately 133,680 people were employed in these occupations in 1995, with a projected growth in 2002 to 150,760 people. The fastest growing occupations in the County between 1995 and 2002 are flight attendants (144 percent growth), systems analysts-electronic data processors (52 percent), ticket agents (49 percent), surgical technicians (49 percent) and computer engineers (45 percent). However, even with growth, the number of people employed in each of these occupations is far below the number of people working in retail and general management/clerical positions. For example, it is projected that there will be 610 flight attendants in 2002, while there will be openings for an additional 15,730 retail salespersons and 14,420 cashiers. A number of white collar office jobs, such as bank tellers and typists, will experience decline between 1995 and 2002 due to changing technologies and computerization. Various blue collar professions will also experience decline, including butchers, refuse collectors, and machinists, also due to mechanization and technological advances.

Since the number of comparatively lower paying service jobs is increasing, housing affordability will become a growing problem. More housing assistance programs or high density housing units may be needed as overall wages decrease.

2. Unemployment

Unemployment in the City for individuals over 16 years of age in 1990 was approximately 2 percent. According to the EDD, the unemployment rate decreased in 1999 to 1.6 percent for the City. The unemployment rate for Orange County was 2.6 percent. As of September 1999, there were 29,050 people in the labor force of Laguna Niguel, with 28,600 people employed. Due to the City's low unemployment rate, most new workers for jobs created in the City will probably come from outside the community.

Low unemployment rates may be a result of higher educational attainment within the community. The majority of the population in Laguna Niguel is White or Asian/Pacific Islander. Both of these ethnic groups tend to attain higher levels of education than other ethnic groups. The comparison between the City and County in Table III-12 shows that a higher percentage of Laguna Niguel residents have more college background than residents in Orange County. This may be a factor in the City's low unemployment rate.

Table III-12		
Educational Attainment Levels for Persons 25 Years and Older in 1990		
Education Level	Laguna Niguel	Orange County
Less than 9 th Grade	277 (1%)	137,282 (7%)
9 th to 12 th Grade - No Diploma	954 (3%)	148,275 (9%)

High School Graduate (or GED)	3,978 (13%)	307,521 (21%)
Some College No Degree	8,465 (28%)	373,700 (26%)
Associate Degree	3,101 (10%)	135,322 (9%)
Bachelor's Degree	8,827 (29%)	286,188 (19%)
Graduate or Professional Degree	4,663 (15%)	138,911 (19%)
Total	100%	100%

Source: 1990 US Bureau of Census

D. SPECIAL NEEDS GROUPS

Special needs are defined as any physical, economic, social, or cultural characteristics that are present in a substantial percentage of the local population that distinguish individuals from the general population with respect to their physical and financial housing needs and support services. Characteristics such as age or physical limitations may comprise a large portion of a particular community in which case, it is important for the community to have the housing means to serve such members of the community. For example, handicap accessible housing or units that are designed to aid the physical limitations of the elderly may be needed in a community with large populations of this special needs group, or a community may have a large population of large families that need adequately sized housing at a low cost. Affordability issues are also important to groups such as female-headed households, college students, farm workers, or military personnel. Therefore, the City needs to evaluate the types of special needs groups in the City to address the special housing needs.

1. Mobility/Self-Care Limitations

Approximately 2 percent of the City's residents have physical conditions that affect their ability to live independently in a conventional residential environment. These individuals have mobility impairments, self-care limitations, or other conditions that may require special housing accommodations or financial assistance. Individuals with such disabilities can have a number of special needs that distinguish them from the population at large:

1. Individuals with mobility difficulties (such as those confined to wheelchairs) may require special accommodations or modifications to their homes to allow for continued independent living. Such modifications are often called "handicapped access."
2. Individuals with self-care limitations (which can include persons with mobility difficulties) may require residential environments that include in-home or on-site support services, ranging from congregate to convalescent care. Support services

- can include medical therapy, daily living assistance, congregate dining, and related services.
3. Individuals with developmental disabilities and other physical and mental conditions that prevent them from functioning independently may require assisted care or group home environments.
 4. Individuals with disabilities may require financial assistance to meet their housing needs because a higher percentage are low-income than the population at large and their special housing needs are often more costly than conventional housing.

Laguna Niguel is a relatively affluent community where most individuals with disabilities, or their family members, are able to pay for special accommodations or housing arrangements to meet their needs. However, a segment of the disabled population, particularly low-income and retired individuals, may not have the financial capacity to pay for needed accommodations or modifications to their homes. In addition, even those able to pay for special housing accommodations may find them unavailable in Laguna Niguel.

Disabled persons often require special housing features to accommodate physical limitations. Some disabled persons may have financial difficulty from the cost of having their special needs met or due to difficulty in finding appropriate employment. Although California Administrative Code Title 24 requires that all public buildings be accessible to the public through architectural standards such as rampways, large doors, and restroom modifications to enable handicap access, not all available housing units have these features. According to the 1990 U.S. Census, there were approximately 1,300 non-institutionalized disabled persons over age 16 in Laguna Niguel, which is less than 2 percent of the City's population. Table III-13 shows that most disabled persons were between the ages of 16 and 64. It is important to note that not all disabled persons are in need of housing.

The City has been able to produce one project, Alicia Park Apartments, with three units designated for handicapped occupancy. Rent on these units is restricted to allow for the use of Section 8 rental assistance certificates and vouchers.

Disabilities can also affect a persons employment status. Those with work disabilities may want or need to find work, but are unable to do so because of their physical limitations. Three percent of people aged 16 to 64 years have only a work disability. Difficulties in finding adequate employment can affect a persons ability to afford sufficient housing that serves their special needs.

Since there are few people with mobility and self-care limitations in the City, the need for special housing or assisted living may be adequately served.

Table III-13				
Mobility and Self-Care Limitation Status				
Disability	City	% of Age Group	County	% of Age Group
16 to 64 Years				
Mobility Limitation Only	100	< 1 %	12,336	1 %
Self-care Limitation Only	458	1 %	35,713	2 %
Mobility and Self-care Limitation	133	< 1 %	12,099	1 %
No Mobility or Self-care Limitation	30,744	98 %	1,585,063	96 %
65 to 74 Years				
Mobility Limitation Only	53	3 %	4,880	4 %
Self-care Limitation Only	43	2 %	4,116	3 %
Mobility and Self-care Limitation	57	3 %	4,320	3 %
No Mobility or Self-care Limitation	1,918	93 %	115,247	90 %
75 Years and Over				
Mobility Limitation Only	73	7 %	9,398	12 %
Self-care Limitation Only	45	5 %	3,752	5 %
Mobility and Self-care Limitation	113	11 %	9,012	11 %
No Mobility or Self-care Limitation	759	77 %	58,524	73 %

Source: 1990 US Bureau of Census.

2. Elderly

The elderly face both financial and accessibility problems in finding suitable housing. Many elderly persons are on a fixed income, which limits their options, and, when compounded by mobility limitations or the need for extra assistance, it can become very challenging for the elderly to have their needs meet. There were approximately 3,061 people age 65 years and over in Laguna Niguel in 1990, of which 990 were age 75 and over. As shown in Table III-13 above, 23 percent of people age 75 years and over had mobility and/or self-care limitations. Approximately 27 people (1 percent) age 65 to 74 years and 50 people (5 percent) age 75 years and over had incomes below the poverty level in 1989 as discussed on page 35 (US Census Data, 1990). Over half of the people below the poverty level in both age groups were women and all elderly people below the poverty level were White. There are nine residential care/nursing homes in Laguna Niguel including two All Seasons Garden Homes, Good Shepherd Lutheran Homes, Laguna Palms, Niguel Woods Homes, Quality Life Homes, Shalin Care Inc., Classic Companion Home Care, and Pleasant View Home 2.

The majority of elderly persons live in owner occupied housing units. According to the 1990 U.S. Census, 9 percent of all occupied housing units are owned by persons 65 years or older. Whereas, only 1.6 percent of the total occupied housing units are renter occupied by persons 65 years of age or older. Therefore, of people age 65 years and over, 85 percent own and 15 percent rent their housing. The 1990 U.S. Census data listed 15 people within nursing home facilities in Laguna

Niguel, compared to 10,791 people living in nursing homes in Orange County. The fact that most elderly own their own house suggests that many of the elderly located in the City are long time residents and are not in need of special housing.

However, this does not mean that older households do not experience financial difficulties in properly maintaining their homes, paying customary housing expenses, or meeting monthly rental expenses. The 1990 U.S. Census reports that 349 (27 percent) of homeowners 65 years of age or more and 169 (59 percent) renters in the this age group paid 30 percent or more for housing. These data on the incomes and housing expenses of households 65 years and older indicate that a substantial number (although by no means the majority) of these older adults may need assistance to either:

1. repair and maintain their dwellings units;
2. relocate to housing without such high maintenance and repair cost;
3. afford their current rental housing; or
4. relocate to more affordable rental housing specifically designed for seniors.

Most elderly persons own their homes and may need assistance with repairs and upkeep. The City may wish to focus on helping maintain these properties so that repairs do not become too large in the future and compromise the condition of the housing stock. Although they are few in number compared to housing owners, over half of the elderly renters pay at least 30 percent or more of their income on housing and the City may want to focus on rental housing assistance for these elderly renters.

3. Female Heads of Household

Most female-headed households are either single elderly women or single mothers. Traditionally, these two groups have been considered special needs groups because their incomes tend to be lower, making it difficult to obtain affordable housing, or because they have specific physical needs related to housing (such as child care or assisted living support). Single mothers, in particular, tend to have the most difficulty in obtaining suitable, affordable housing.

According to 1990 U.S. Census data, of the 12,589 families within the 17,172 households in Laguna Niguel, 1,301 families (10 percent) are female-headed households. Thirteen percent of households with children in the City were female-headed households. Of the 1,301 female-headed households, 414 had children over age 18, while 887 had children under age 18. There were 1,562 children in the 887 female-headed households with children under 18, which is approximately 1.8 children per household. The highest percentage of children were 12 years of age or older (50 percent) followed by children between the ages of 6 and 11 (34 percent) and children 5 years of age or younger (16 percent).

According to the 1990 U.S. Census data for the City, 210 female headed households were below the poverty level, which was 43 percent of all families below the poverty level, but only 1.2 percent of the total number of households. The Census defines poverty as the relationship of income to the number of children under 18 years in the household. Based on the Census formula, the average poverty threshold for a family of four persons is \$12,674. Because of these high poverty levels, female heads of households often spend more on immediate needs such as food, clothing, transportation, and medical care, than on home maintenance, which results in living units falling into disrepair.

Since there are few families below the poverty level in Laguna Niguel, basic needs are likely met by female-headed households. However, some female-headed households may be large in size, and therefore, finding adequately sized housing that is affordable may be difficult as discussed below.

4. Large Families

Large families can have difficulty securing adequate housing because they cannot afford houses large enough to serve their needs. It becomes even more difficult when large families try to find adequate rentals within their budget, because rentals are typically smaller. As shown in Table III-14, the number of large households in Laguna Niguel that own the units they occupy is significantly greater than the number of large households that rent. Large households are defined as households with five or more persons. In 1990, there were approximately 1,291 households of five or more persons in the City and 121,459 households of five or more persons in the County. Of this total number of households in the City, 922 were five persons, 254 were six persons, and 115 were comprised of seven or more persons. Households of five or more people comprised 8 percent of all households in the City and 15 percent of all households in the County. In addition, the City contains more housing units with four or more bedrooms than the number of large households with the need for multi-bedroom dwelling units.

Although there are few large families in the City, the cost for large housing units can be expensive as discussed later in the Community Profile. Programs to provide affordable large units may be ideal to serve the needs of large families.

Table III-14 Large Families		
Number of Persons in Household	Owner Occupied	Renter Occupied
5	795	127
6	213	41
7+	88	27
Total	1,096	195

Source: 1990 U.S. Census

5. Farm Workers

Farm workers tend to have low incomes due to the manual nature of their work, and they tend to have families with children and larger sized families. Therefore, finding affordable housing large enough to efficiently accommodate their family is the most pressing need faced by farm workers. Migrant farm workers need affordable housing on a seasonal basis. According to the 1990 U.S. Census data, there were 137 people employed in farming, forestry, and fishing occupations. This is less than 1 percent of the City's total population age 16 and over.

The need for farm worker housing is not necessary since the City and surrounding areas are nearly fully developed and have no significant agriculture.

6. Homeless

As stated in the 1992 Laguna Niguel Housing Element, the homeless population refers to persons lacking consistent and adequate shelter. Homeless persons can be considered resident (those remaining in an area year-round), or transient. Emergency and transitional shelters can help to address the needs of the homeless. Emergency shelters provide a short-term solution to homelessness and involve limited supplemental services. Transitional shelters, in contrast, are directed towards removing the basis for homelessness. Shelter is provided for an extended period of time, and is combined with other social services and counseling to assist in the transition to self-sufficiency. The nature of the homeless population makes exact counting difficult. According to the Homeless Issues Task Force, a division established by the County of Orange to quantify the number of homeless in the County, there are at least 10,000 homeless persons in Orange County. Although homeless and transients are only occasionally identified in the City, State law requires that each jurisdiction provide adequate sites to facilitate the development of emergency and transitional shelters. In addition, the homeless problem in the County stems, in part, from the lack of suitable, affordable housing. The State's comprehensive solution to the homeless problem requires that every jurisdiction in the County address the needs of the homeless.

The 1990-1991 Orange County Grand Jury recommended in its report on homelessness that the County appoint a blue-ribbon commission on homelessness. In 1991, the Orange County Board of Supervisors appointed a Homeless Issues Advisory Committee consisting of County agency heads. Consistent with the report's recommendations, the Board also appointed a Homeless Issues Coordinator. The mission of the former organization is to develop policies towards a comprehensive solution for homelessness. The function of the Homeless Issues Coordinator is to work with County and city agencies, housing advocate groups, and other interested parties in addressing the needs of the homeless. In addition to County-sponsored task forces/commissions, the Homeless Issues Task Force is a non-profit organization that addresses the needs of the homeless. This organization provides education on homeless issues and technical assistance to localities in the County. The Building Industry Association (BIA) has also been actively involved with the needs of the homeless. Through the activities of Home Aid, shelters within each supervisorial district have either been constructed, or rehabilitated/expanded.

Homelessness is caused by a number of social and economic factors including a breakdown of traditional social relationships, unemployment, shortage of low-income housing, and the de-

institutionalization of the mentally ill. The 1990 U.S. Census found no "visible" people living on the streets and no people in homeless shelters. However, Census counts are not generally accepted as an accurate reflection of homelessness. Because the homeless move around and are not always visible on the street it is difficult to get an accurate count of homeless persons in a community. Discussions with Saddleback Community Outreach, an organization offering emergency housing and other aid for the homeless on a daily basis reveal that there are over 1,000 people annually in need of assistance in the region, but they are not necessarily homeless residing in Laguna Niguel. The Dayle McIntosh Center provides emergency shelter for homeless persons with disabilities in Orange County at their six bed shelter in Garden Grove. During the past year, approximately 79 people used the emergency shelter, but it is not known how many persons used this service on a regular basis or if any were residents of Laguna Niguel. In 1999, the Orange Coast Interfaith Shelter assisted two families, totaling four individuals, who last resided in Laguna Niguel. Between 1994 and 1999, they assisted 57 households (249 individuals) who were from Laguna Niguel, which breaks down to about 10 households (42 people) each year. Most of those assisted were children (67 percent). Since only four people were assisted in 1999, the economic gains of the past few years have likely decreased the number of people seeking assistance, which is a trend that should continue. The Consolidated Plan states that the Sheriff's Department does not have any records of homeless people in the City. Therefore, the number of homeless in Laguna Niguel ranges from zero to 42 persons, which is significantly low.

Although there are no service providers in Laguna Niguel, special needs service providers in the area offer emergency shelter and food, but also give aid in the form of counseling, housing referrals and financial assistance, referrals to assisted care, group home and transitional housing, and abuse counseling/education for victims of domestic violence in the region. Saddleback Community Outreach operates one condominium housing complex in Laguna Niguel, a food pantry, financial aid, eviction prevention counseling, transitional housing, and emergency shelter. The organization serves approximately 1,200 persons each year from the entire region (John Rooney, November 1999). However, this organization is located in Laguna Hills and primarily serves people outside of Laguna Niguel as only four people from Laguna Niguel were documented at the organization. The Dayle McIntosh Center South County Branch office is located in Laguna Niguel and serves 1,000 to 2,000 disabled people annually through its advocacy program, housing search program, peer program, information referral program, and eviction prevention program (Shannon Carson, November 1999). However, they only serve the needs of the disabled who may not necessarily be homeless.

There are also organizations within Orange County, outside Laguna Niguel, that offer emergency shelter and transitional housing. The Women's Transitional Living Center in Fullerton offers services to battered women and children. They serve approximately 176 women, 306 children, and 1,100 walk-ins each year. The Community Services Youth Shelter in Laguna Beach offers emergency shelter for teens. They serve approximately 100 teens each year and offer counseling for 450 families. Currently they offer 6 beds for shelter, which are generally full, depending on the season. They plan to offer a transitional living program facility to help older teens learn how to live independently, finish school, and learn job skills (Linda Hunter, November 1999). Laura's House in San Clemente is an emergency domestic violence shelter offering 22 beds to women and children in need. The emergency shelter beds are always full, serving 400 to 600 people each

year. Laura's House plans on expanding its services to include transitional housing assistance for which six new transitional housing units would be developed (Victoria Maxwell, November 1999).

Group homes offer special assistance to a variety of housing needs ranging from correctional facilities to college dormitories to nursing homes. The 1990 U.S. Census showed no residents in correctional facilities, mental hospitals, juvenile institutions, college dormitories, military quarters, or emergency shelters or other group home, with the exception of nursing homes as discussed above. Approximately 34,438 people, or 1.4 percent of the County's population, live in all types of group quarters in Orange County, primarily nursing homes and correctional facilities.

A significant homeless problem in the City is unlikely because the poverty rate is low and there are few services in Laguna Niguel that would attract homeless persons from outside the community. Therefore, homeless persons would choose to be near organizations that offer aid, which are located in other cities, and would seek areas with lower living costs in order to provide as much for themselves as possible.

According to the EDD, residents of Orange County received less public assistance in 1998 than in any other year during the decade. Although the need remains great, public assistance roles have fallen statewide as hundreds of thousands of recipients have become employed or entered welfare to work programs. Most recipients of aid in the county in 1999 were Hispanic females between the ages of 21 and 44 with children, which suggests that single mothers continue to have substantial dependence on public assistance. Tables III-15 and III-16 lists the characteristics of recipients of Aid to Families with Dependent Children and other public assistance projects. Although there are few homeless and homeless programs in Laguna Niguel and the homeless population is anticipated to remain low as people in need seek less costly cities with more service programs, the City will continue to provide adequate zoning for additional facilities.

Table III-15			
Public Assistance Recipients by Program in Orange County			
Recipients by Program	1996	1997	1998
Aid to Families with Dependent Children			
Total	112,572	94,572	74,826
Adults	36,286	29,174	21,183
Children	76,286	65,398	53,643
Food Stamps	141,685	110,148	73,897
General Relief	2,446	1,544	954
Refugee Cash Assistance	919	277	224
Greater Avenue for Independence	6,364	9,314	NA
Total Recipients per Year	376,558	310,427	224,730

Source: Dept. of Social Services, Public Welfare in California, 1998.

Table III-16 Characteristics of Recipients of Aid to Families with Dependent Children in Orange County			
Characteristics	1996	1997	1998
Total Recipients Age 16+	38,990	32,750	25,910
Male	7,470	6,270	4,960
Female	31,540	26,490	20,960
16-20	8,230	6,910	5,470
21-44	27,790	23,340	18,470
45-54	2,380	2,000	1,580
55+	610	510	400
White (Not Hispanic)	12,060	10,400	8,140
Black (Not Hispanic)	1,820	1,490	1,270
Hispanic	16,300	13,220	10,530
Asian/Pacific Islander	8,630	7,450	5,830
American Indian	50	60	50
Filipino	130	130	90

Source: Total figure is from Public Welfare in California, Department of Social Services.
Proportions by sex, age, and ethnicity are EDD estimates.

7. Veterans

The 1999 EDD and the U.S. Department of Veterans Affairs (VA) data shows a decline in the number of veterans in Orange County. From 1996 through 1998, the number of veterans decreased by nearly 1 percent. There were approximately 230,540 veterans in 1996, 229,550 in 1997 and 228,420 in 1998. An estimated 5 percent of all veterans in the County were women. Most veterans were Vietnam era veterans, followed by peacetime only veterans, and World War II veterans. However, those seeking assistance from the VA may not be in need of housing assistance, but rather informational or simple assistance from personnel. The data provided by the EDD and VA did not provide an analysis of those seeking emergency shelter or other needs related to housing. Likewise, there is no data regarding the number of homeless veterans in Laguna Niguel or Orange County based on the EDD's or VA's data.

However, as these veterans age, there will be a growing need for assistance with daily living and special housing accommodations. Many may qualify to live in a veteran's home.

E. HOUSING UNIT AND POPULATION PROJECTIONS

Housing unit and population projections at build-out in the year 2010 were prepared based on the City's adopted General Plan. The ultimate residential capacity of the City is projected to be 26,243 units, divided into 12,110 residential attached units and 14,133 residential detached units. Utilizing a generation factor of 2.35 persons per dwelling unit, the population at build-out is projected at 61,671 persons, assuming no vacancies (City of Laguna Niguel Housing Element, 1992).

F. HOUSING UNIT CHARACTERISTICS

The 1990 U.S. Census data for Laguna Niguel determined that there were 18,892 housing units in the City. A breakdown of the housing stock by housing type is presented in Table III-17. Most housing units are single-family detached units, although over a quarter of the units are multi-family units such as apartments and nearly a fifth of the units are single-family attached units.

Table III-17 1999 Laguna Niguel Housing Unit Mix				
	City		County	
Housing Type	Units	Percent of Total	Units	Percent of Total
Single-Family Detached	12,945	55%	477,927	50%
Single-Family Attached	4,208	18%	108,831	11%
Multi-Family	6,215	27%	336,328	35%
Mobile Homes	4*	0%	31,796	3%
Total Housing Units	23,372	100%	954,882	100%
Total Occupied Units	21,244	91%	900,568	94%
Vacancy Units	2,128	9%	54,314	6%

Source: California State Department of Finance, Population Estimates, January 1999.

*Note: While the Dept. of Finance reports 4 mobile homes in Laguna Niguel, the City does not have any mobile homes.

1. Housing Composition

Tables III-18 and III-19, derived from data provided by the California Department of Finance, show the total housing stock in the City and the County from 1990 to 1999. According to the tables, approximately 2,127 units are vacant in Laguna Niguel (9 percent) compared to 54,333 vacant units in Orange County (5 percent). Although Laguna Niguel has a higher vacancy rate than the County, there are slightly fewer persons per household in the City. Of the total housing units in the City from 1990 to 1999, single family detached housing units were the majority (54 percent), followed by multiple family five plus units (22 percent), single family attached units (20 percent), multi-family two to four units (5 percent) and mobile homes (< 1 percent). Orange County had slightly fewer single family detached housing units (49 percent), more multiple housing units of five plus units (26 percent), fewer single family attached housing units (12 percent), more multiple housing units of two to four units (9 percent), and more mobile homes (4 percent).

Table III-18
Laguna Niguel Population and Housing Estimates (1/1/90 through 1/1/99)

	Housing Units							Persons	
		Single Units		Multiple Units		Mobile		%	Per
Year	Total	Detached	Attached	2 to 4	5 Plus	Homes	Occupied	Vacant	Household
1990	18,992	10,215	4,195	698	3,880	4	17,263	9.1	2.590
1991	20,321	10,752	4,195	811	4,559	4	18,471	9.1	2.589
1992	20,881	11,090	4,225	861	4,701	4	18,980	9.1	2.641
1993	21,483	11,489	4,225	966	4,799	4	19,527	9.1	2.685
1994	21,897	11,771	4,239	1,024	4,859	4	19,904	9.1	2.705
1995	22,322	12,112	4,239	1,072	4,895	4	20,290	9.1	2.699
1996	22,620	12,339	4,239	1,111	4,927	4	20,561	9.1	2.708
1997	22,853	12,506	4,249	1,111	4,983	4	20,773	9.1	2.731
1998	23,124	12,702	4,249	1,130	5,039	4	21,019	9.1	2.763
1999	23,372	12,945	4,208	1,176	5,039	4	21,244	9.1	2.784

Source: California Department of Finance 1990-1999 City /County Population and
Housing Estimates, 1992-1999.

Table III-19
Orange County Population and Housing Estimates (1/1/90 through 1/1/99)

	Housing Units							Persons	
		Single Units		Multiple Units		Mobile		%	Per
Year	Total	Detached	Attached	2 to 4	5 Plus	Homes	Occupied	Vacant	Household
1990	875,105	434,510	104,423	82,892	221,435	31,844	827,097	5.5	2.8700
1991	885,797	438,159	105,034	84,255	226,504	31,845	837,108	5.5	2.8740
1992	894,995	441,050	105,314	85,117	231,589	31,925	845,746	5.5	2.8980
1993	902,280	444,388	105,658	85,718	234,566	31,950	852,556	5.5	2.9270
1994	908,322	447,428	106,124	86,155	236,653	31,962	858,139	5.5	2.9490
1995	915,867	452,522	107,232	86,367	237,767	31,979	865,212	5.5	2.9580
1996	926,033	457,950	107,552	86,605	241,947	31,979	874,662	5.6	2.9650
1997	935,097	464,338	107,904	86,846	244,244	31,765	883,229	5.6	2.987
1998	945,034	471,212	108,443	87,044	246,570	31,765	892,546	5.6	3.020
1999	954,882	477,927	108,831	87,316	249,012	31,796	900,568	5.7	3.040

Source: California Department of Finance 1990-1999 County/State Population and
Housing Estimates, 1992-1999.

2. Annual Growth of Housing Stock

The City's Community Development Department's data suggests that building activity in the City has fluctuated over the past decade ranging from 617 new dwelling units in 1991 to only 167 in 1998 (Table III-20). The decline in new dwelling unit permits is likely due to less land available for residential development as the community reaches build-out status. As building activity declines from a lack of available space, the City will need to focus on maintenance and reorganization of its housing units.

Table III-20 Building Activity Summary			
Year	Total Number of All Building Permits	Valuation (Millions)	Number of Dwelling Units
1990 (Aug. -Dec.)	1,232	\$24.447	127
1991	2,357	\$85.01	617
1992	2,200	\$95.335	544
1993	2,049	\$78.768	415
1994	2,237	\$101.411	418
1995	2,212	\$54.898	218
1996	2,218	\$44.026	226
1997	3,155	\$90.996	354
1998	2,669	\$54.764	167
1999	2,840	\$44.247	214

Source: Laguna Niguel Community Development Department 1999.

3. Housing Occupancy and Tenure

Analysis of housing occupancy and tenure gives insight into housing affordability, fair housing practices, and housing conditions as well as housing vacancy and general housing need. Of the 18,892 housing units, 17,172 units (91 percent) were occupied, while 1,720 units (9 percent) were vacant. As shown on Table III-12 the number of units has grown to 23,372 in 1999 of which 21,244 (91 percent) are occupied and 2,128 are vacant (9 percent). More units were owner occupied in 1990 (12,826 or 75 percent) than renter occupied (4,346 or 25 percent). In comparison, tenure of occupied units in the County in 1990 was 60 percent owner occupied (496,824 units) and 40 percent renter occupied (330,242 units).

Analysis of the 1990 U.S. Census data for Laguna Niguel shows that an equal percentage of Whites owned units (91 percent) or rented units (91 percent), while Asian/Pacific Islanders owned a higher percentage (6 percent) of units than rented (3 percent). All other races had higher rental rates than ownership rates at about a 2:1 ratio. In the County, Whites owned 437,585 units (88 percent) and rented 264,089 units (80 percent), while Asian/Pacific Islanders owned 37,901 units (8 percent) and rented 25,198 units (8 percent). In contrast, Blacks owned 3,831 units (1 percent) but rented 9,797 units (3 percent) and other races owned 15,357 units (3 percent) and owned

29,018 units (9 percent). American Indians in the County rented nearly an equal percentage as owned with 2,140 and 2,150 units respectively.

Analysis of tenure by age in the City reveals that the highest percentage of units are owned by people between the ages of 35 and 44 years, while the highest percentage of units are rented by people between the ages of 25 and 34 years. People younger than 35 years rented a higher percentage of units than owned units, while people age 45 years and over owned over five times as many units as rented. Similar to the City, people living in Orange County were more likely to own if they were 35 years and older and more likely to rent if they were under 35 years. The highest percentage of owners were between the ages of 35 and 44 years (24 percent), while the highest percentage of renters were between 25 and 34 years of age (38 percent). People younger than 35 years rented 50 percent of the rental units, and people aged 45 years and over owned three times as many units as rented. Those age 65 years and over owned 4 times as many units as rented (US Census Data, 1990).

People under age 25 years had incomes primarily between \$35,000 and \$49,999 as compared to people age 25 to 34 years who had incomes primarily between \$50,000 to \$74,999. Since younger people had lower incomes, they were less able to own a home, while those between 25 and 34 years of age served as a transitional generation from renters to buyers. Most people age 35 to 54 years had incomes above \$100,000 and likewise were much more likely to own than rent. Although incomes declined again after age 55 years, and were the lowest for people over 75 years, older age groups had a higher percentage of owners due to long-standing ownership of the unit.

G. HOUSING COSTS

1. Rentals

Housing costs in Laguna Niguel depend on the type of unit and the number of rooms per unit. Table III-21 provides a general overview of rental rates in the City taken from a sample of apartment complexes. Rents ranged from a low of \$675 for a one-bedroom apartment to \$1,550 for a 3-bedroom apartment. Compared to nearby cities, these rental prices are the average. However, in comparison to cities in the northern portion of the County, rates in Laguna Niguel are rather expensive. This issue is further discussed later in this document.

Table III-21				
1999 Rental Rates				
Apartment Complex	Rent - 1 Bed	Rent - 2 Bed	Rent - 3 Bed	Total Units
Aloma Gardens	\$675	\$775	none	34
Country Club Villas	\$1,055-\$1,175	\$1,280-\$1,355	none	280
Laguna Brisas	None	\$1,050	none	176
Laguna Serrano	\$975	\$995	\$1,350	336
Niguel Summit I	\$820-\$900	\$925-\$1,100	none	170
Pointe Niguel	\$958	\$975-\$1,095	none	324
Seaside Meadows	\$890	\$1,155	none	599
Seaview Summit	\$750-\$1,200	\$950-\$1,350	none	100

Ventanja Apartments	\$865-\$940	\$1,055-\$1,160	none	460
Windridge Apartments	none	\$1,175-\$1,225	\$1,550	344
Total				2,823

Source: Springstreet.com, 1999.

Note: There are no studio apartments in the above complexes. Junior one bedroom units are included in total for one bedroom units. Actual price depends on total square footage, location of unit, and unit features.

Rental rates for other units are listed in Table III-22. Most non-apartment rentals are three bedroom units with two bathrooms. The one bedroom units have the fewest extra amenities such as pools, tennis courts, or free club memberships, but had at least a washer and dryer included. According to the Orange County Register (11/21/99), there are also a few room rentals listed for Laguna Niguel. Two of the shared rentals are \$550 per month, although the cost of utilities is included in one of the units. A third shared rental has a rate of \$450 per month. The Orange County Register did not have any rental listings for duplexes, triplexes, or hotel/motel units. In comparison to northern areas in the County such as Santa Ana, Fullerton, and Westminster, Laguna Niguel has high rental rates for apartments, condominiums, and houses. The average one-bedroom rental in these areas is approximately \$700. However, areas near Laguna Niguel such as Dana Point, Laguna Hills, and even Irvine, had similar rental rates to Laguna Niguel.

Table III-22 Typical House, Townhouse, and Condominium Rental Rates			
1 bedroom	2 bedroom	3 bedroom	4 Bedroom
\$825 to \$1,000	\$1,215 to \$1,800	\$1,495 to \$2,500	\$2,300 to \$2,800

Source: Orange County Register Classifieds www.ocregister.com, 11/21/99.

2. Home Prices

Home prices range dramatically in Laguna Niguel for both single family homes and multi-family units as shown in Table III-23. Interestingly, the average one-bedroom single-family home is more costly than the average two and three-bedroom homes. However, one-bedroom homes comprise only a small portion of the overall housing composition in Laguna Niguel. Most units sold in Laguna Niguel are three and four-bedroom single-family homes or two-bedroom multi-family homes/condos. The California Association of Realtors lists the median home price in Laguna Niguel as \$372,250 as of October 1999. The median price increased by 33 percent since September 1999 and a total of 25 percent since 1998. Since the yearly percentage is less than the monthly percentage, declines must have occurred during previous months in the year, making the overall yearly growth less than the monthly growth rate. Of a small sample taken in Dana Point, Laguna Hills, Santa Ana, Westminster, Fullerton, and Irvine, average home prices were considerably less than in Laguna Niguel, averaging \$72,000 for one-bedroom homes, \$191,270 for two-bedroom homes, \$313,300 for three-bedroom homes, and \$334,592 for four-bedroom homes. Since housing prices in Laguna Niguel are comparatively higher, people with lower incomes may be inclined to seek cheaper housing in nearby cities, rather than pay high percentages of their income on housing in Laguna Niguel.

Table III-23 1998-1999 Home Prices						
Bedrooms		Units Sold	Median	Average	Range	% of Total
Single Family Homes						
	1	8	\$288,500	\$352,125	\$70,000-\$585,000	1%
	2	156	\$245,000	\$277,278	\$119,000-\$640,000	14%
	3	444	\$305,000	\$343,297	\$143,000-\$920,000	40%
	4	473	\$415,000	\$455,435	\$177,500-\$1,675,000	43%
	5+	30	\$756,250	\$883,517	\$340,000-2,500,000	3%
Total		1,111	\$344,750	\$396,714	\$70,000-\$2,500,000	100%
Multi-Family Homes/Condominiums						
	1	135	\$128,500	\$126,815	\$41,500-\$204,000	17%
	2	439	\$162,500	\$171,111	\$70,000-\$535,000	57%
	3+	200	\$218,000	\$283,292	\$120,000-\$695,000	26%
Total		774	\$164,000	\$180,744	\$41,500-\$695,000	100%

Source: LA Times, Dataquick, October 1999.

Table III-24 compares new home prices in the County to other counties in the region. According to the table, new home prices in Orange County were in the middle range for the region.

Table III-24 1999 Comparative New Home Prices (Averages)	
County	Average Price
San Diego	\$260,000
Ventura	\$347,000
Orange	\$318,000
Los Angeles	\$266,000
Riverside	\$195,500
San Bernardino	\$177,000

Source: Inland Empire Quarterly Report, October 1999.

H. INCOME AND AFFORDABILITY

A standard measure of housing affordability and availability is a comparison of the percentage of households paying more than 30 percent of their income for housing expenses. Most government housing agencies and many private housing analysts consider 30 percent the maximum percentage of income that the average household can afford to spend on housing without cutting expenditures for other necessities. However, to truly evaluate housing affordability, individual circumstances and factors must be taken into account. These circumstances and other factors include debt, interest rates, children, and marital status, among others. Since it is impossible to take each household's individual circumstances into account, the 30 percent level provides a general evaluation of the community's expenditure level. Table III-25 shows the number of households

paying over 30 percent of their income on housing. Some households choose to pay over 30 percent of their income for various reasons, such as location, aesthetics, schools, or other features. Other households choose to pay larger percentages of their income on housing because they may receive tax advantages or are investing with the knowledge that their income will increase so that they pay a lower percentage of their income on a long-term basis. In contrast, some households are forced to pay a large percentage of their income either because they cannot afford anything less, or they are limited to certain costs due to a lack of available low cost housing options.

Table III-25 Number of Households Paying over 30% of Income on Housing			
Income	Owners	Renters	Total
Very Low Income	819	1,066	1,885
Lower Income	479	222	701
Total	1,298	1,288	2,586

Source: 1990 US Bureau of Census.

Further analysis of housing expenditures as a percent of income shows that most owners below the \$50,000 or more income group pay 35 percent or more of their income on housing (Table III-26). Renters with income below \$35,000 also tend to pay a higher percentage of their income on housing. However, renters with incomes between \$35,000 and \$49,000 usually paid 25 percent to 29 percent of their income on housing. The majority of people in the \$50,000 or more income level paid 0 percent to 24 percent of their income on housing whether they rented or owned.

Table III-26 Housing Expenditures per Income Group						
Income	< \$10,000	\$10,000- \$19,999	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000+	Total
Owners						
0-24%	0%	0.3%	2.1%	3.3%	31.7%	37.4%
25-29%	0%	0.2%	0.4%	0.7%	12.9%	13.8%
30-34%	0%	0.1%	0.6%	1.3%	10.9%	12.9%
35% +	1.6%	2.3%	5.6%	7.0%	18.3%	34.8%
Total*	1.6%	2.9%	8.7%	12.3%	73.8%	98.9%
Renters						
0-24%	0.8%	0.8%	1.2%	7.3%	25.7%	35.8%
25-29%	0.1%	0.4%	2.5%	10.7%	1.8%	15.5%
30-34%	0%	0.4%	4.3%	5.6%	1.9%	12.2%
35% +	4.5%	10.0%	15.0%	4.7%	0.4%	34.6%
Total	5.4%	11.2%	23.0%	28.3%	29.8%	98.1%

Source: 1990 US Census Data

In addition to income, housing affordability in Laguna Niguel is subject to loan approval rates. Conventional home purchases have been broken down by race and income in the following tables. Table III-27 shows that there is not a strong correlation between race and loan denial rates, but

persons of Black, Asian, Hispanic, and other races had higher denial rates compared to approval rates, while Whites and Native Americans had higher approval rates compared to their denial rates. All races had more housing loans approved than denied.

Table III-27 Conventional Home Purchases in 1998 by Race								
	Total		Approved		Denied		Withdraw or Closed	
Race	Number	% of Total	Number	Approval Rate	Number	Denial Rate	Number	Withdrawal Rate
Native	18	0.3%	15	0.3%	1	0.1%	2	0%
Asian	322	5.4%	242	5.2%	44	6.4%	36	6%
Black	39	0.7%	26	0.6%	7	1.0%	6	1%
Hispanic	178	3.0%	129	2.8%	29	4.2%	20	3%
White	4,306	72.4%	3,482	75.0%	441	64.6%	383	62%
Other	121	2.0%	96	2.1%	14	2.0%	11	2%
Joint/NA	963	16.2%	653	14.1%	147	21.5%	163	26%
Total	5,947	100%	4,643	100%	583	100%	621	100%

Source: HMDA, Peertrax, LAR Summary, 1998

1. Affordability Trends

Table III-28 shows the median gross rent in relation to income in 1990 as such data is not available for 1999. According to 1990 U.S. Census data, the median gross rent was \$901 in Laguna Niguel and \$790 in Orange County. People with very low incomes had few affordable options in Laguna Niguel and Orange County since only 4 percent and 7 percent respectively of all apartment units had rents below 30 percent of their income. People with low incomes had slightly more options than those with very low incomes, but still could not afford the median rent and were limited to only 10 percent of the apartment stock in Laguna Niguel and 33 percent in Orange County. However, those with moderate incomes had many options with at least 71 percent of the units in Laguna Niguel and 81 percent of the units in Orange County were within an affordable range. It is important to note that the percentage of apartments affordable within the low- and moderate-income groups is cumulative and include the percentage from the previous income group.

Table III-28 Median Rent in Relation to Median Income			
Income Group	Affordable Rent Limit	% of City Apartments	% of County Apartments
Very Low	\$516	At least 4%	At least 7%
Low	\$723	At least 10%	At least 33%
Moderate	\$1,033	At least 71%	At least 81%

Source: 1990 U.S. Bureau of Census

A household can typically qualify to purchase a home that is 2.5 to 3.0 times the annual income of that household, depending on the down payment, the level of other long-term obligations (such as a car loan), and interest rates. In practice, the interaction of these factors allows some households to qualify for homes priced at more than three times their annual income, while other households may be limited to purchasing homes no more than two times their annual incomes. Based on the homes sold in the last year and affordability rates at 3.0 times the annual income of a three person household, Table III-29 shows that there were 22 homes affordable to three person households in the very low-income category.

Table III-29 For Sale Units Affordable to Lower Income Households in 1999			
Income Group	Affordability Level	Homes Sold 1998-1999	Percent of All Houses Sold
Very Low Income	\$92,250	22	1 %
Low Income	\$129,000	186	8 %
Moderate Income	\$184,350	630	24 %

Source: La Times Dataquick Home Prices, 1998-1999.

Note: Housing unit totals for low and moderate income households are cumulative.

I. AGE AND CONDITION OF HOUSING STOCK

A housing stock survey was not completed for this Housing Element Update. Therefore, the condition of the housing stock has been inferred from the 1990 U.S. Census data. This data includes, the type of utilities available within a unit, the year the structure was built, and the features within the unit. Most housing in Laguna Niguel was built in the 1980s and nearly all units are connected to public sewer and water systems and other utilities. Table III-30 shows that most vacant units are new and that most housing units in the City were built in the 1980s. Therefore, the housing stock is in good condition.

Table III-30 Age of Housing Units in Laguna Niguel		
Year Built	Total Housing Units	Vacant Housing Units
1990 to 1998	4,380	408
1989 to 1990	2,909	666
1985 to 1988	9,076	690
1980 to 1984	2,424	198
1970 to 1979	3,272	93
1960 to 1969	1,150	73
1950 to 1959	46	0

1940 to 1949	7	0
1939 or earlier	8	0

Source: 1990 U.S. Census and California Department of Finance 1990-1999 City/County Population and Housing Estimates.

1. Housing Accommodations

The number of bedrooms within a housing unit can also characterize the housing stock in a community as shown in Table III-31. One bedroom and studio units have the highest percentage of vacancy per total units of their type, suggesting that people are looking for larger units because they require more space due to family size, are looking to cut down housing costs by living with others, or want and are able to afford larger units than is necessary. Because the overwhelming majority of housing units have complete plumbing and kitchen facilities, are served with public utilities, and are relatively new (less than 30 years), it is unlikely that housing conditions represent a problem that requires governmental action. In addition, high property values provide strong economic incentives to property owners to maintain the housing stock in sound condition.

Table III-31 Number of Bedrooms per Housing Unit		
Number of Bedrooms	Total Housing Units	Vacant Housing Units
No Bedroom	99	11
1 bedroom	1,762	212
2 bedrooms	5,971	559
3 bedrooms	5,710	431
4 bedrooms	4,714	450
5 or more bedrooms	636	57

Source: 1990 U.S. Bureau of Census.

2. Overcrowding

The 1990 U.S. Census defines overcrowding as 1.01 or more persons per room, and extreme overcrowding as more than 1.5 persons per room. Since data in relation to overcrowding have not been broken down into housing type by number of rooms, type of household, or by household income, overcrowding must be evaluated in terms of other factors such as cultural expectations, size of rooms, availability and type of common areas or open space, and the age and relationship of persons in the unit.

Table III-32 summarizes the overcrowding status in the City. In 1990, there were 250 (5.7 percent) renter-occupied and 201 (1.6 percent) owner-occupied units defined as overcrowded. In contrast, 1990 U.S. Census figures for Orange County were 19.9 percent for renter-occupied and 5.4 percent for owner-occupied units. Assuming there are no major changes in this pattern, there is not a significant rate of overcrowding in the City as compared to the County.

**Table III-32
Overcrowded Housing**

Number of Persons per Room	Rental Units	Percent of Total Occupied Rental Units	Owner Units	Percent of Total Occupied Owner Units
Laguna Niguel				
1.01 to 1.5	126	2.9	162	1.3
1.51 or more	124	2.8	39	0.3
Total	250	5.7	201	1.6
Orange County				
1.01 to 1.5	23,048	7.0	14,661	3.0
1.51 or more	42,584	12.9	12,198	2.5
Total	65,632	19.9	26,859	5.5

Source: 1990 US Bureau of Census

J. ASSISTED HOUSING PROJECTS

Assisted housing projects in the City can alleviate the financial hardships low-income households may face. Assisted housing projects are those that offer financial aid or provide extra services for people in need of financial or basic living assistance. There are a variety of programs, each focusing on a specific need or with a specific goal to eliminate unmet housing needs in the community.

The California Housing Finance Agency had no listings for State assisted housing projects in Laguna Niguel (Abe Tsadik, California Housing Finance Agency, 1999). Similarly, the Orange County Housing Authority's 1999 Affordable Housing Projects Report had no listings for Laguna Niguel. However, their low- and moderate-income Apartment Listing listed the Alicia Park Apartments (56 units including six three-bedroom and six four-bedroom units) and the Villa La Paz Apartments offers 100 as Section 8 HUD assisted housing projects. Under Section 8 assistance, eligible tenants pay 30 percent of their income for rent, and the difference between the tenant's contribution and the actual rent is paid by HUD through operating subsidies to owners. Assistance is tied to the project and rent is subsidized only as long as the tenant occupies the unit. The discussion of housing programs is not intended to be an all-inclusive list of housing programs. Rather, the discussion is intended to provide information on known programs which may be applicable in Laguna Niguel.

1. County of Orange Housing Programs

The County of Orange administered its housing programs in the community of Laguna Niguel prior to the City's incorporation. One of the County's most predominant housing programs was the Inclusionary Housing Program (IHP), which was in effect between 1979 and 1983. This program was superseded by the Housing Opportunities Program (HOP), a voluntary affordable housing program.

The IHP mandated the production of affordable housing units in all residential development. Specifically, it required 25 percent of projects with 30 or more units to be set-aside as affordable (i.e., available to buyer/renters earning 120 percent or less than the median income as defined by the County). In addition to on-site construction of affordable units, the housing requirement could be satisfied by the use of vested excess affordable unit credits or construction of off-site affordable housing. The IHP program did not contain any unit size requirements or requirement for whether the units were owned or rented. In addition, the median income was not adjusted for family size.

The IHP was replaced in 1984 by the HOP, which phased out mandatory requirements over a three-year period in favor of voluntary compliance with affordable housing objectives. The HOP did not, however, alter mandatory affordable housing requirements placed on projects as conditions of approval under the IHP.

Implementation of the County's housing programs generally occurred at the Area Plan Level. Area Plans established regulations and policies for the Planned Communities. Area Plans generally included Affordable Housing Implementation Plans (AHIP) and Affordable Housing Information Supplements (AHIS) to administer the housing programs. The AHIP defines the method for compliance with mandatory affordable housing requirements. The AHIS, is completed at the project level and indicates how each project satisfies affordable housing requirements. An additional method of housing program implementation was the placement of conditions of approval on a project during the subdivision process.

Affordable housing units included both rental and for-sale housing and were allocated into the following categories:

Low	-	80 percent and below of the County median income
Moderate I	-	81-100 percent of County median income
Moderate II	-	101-120 percent of County median income

The IHP initially utilized the median area income as determined by HUD. Per the Board of Supervisors Resolution dated October 20, 1981, the median income was changed to that defined by the Center for Economic Research at Chapman University. At the time the median income definition was changed, there was a little disparity between HUD and Chapman University estimates. Both for-sale and rental projects were certified as affordable after October 21, 1981, based on the County median income as estimated by Chapman University and as shown in Table III-33.

There are two reasons why the Chapman University median income estimates are higher than HUD's median income estimates. One reason is that Chapman University's methodology better reflects the local economic conditions of Orange County. The second reason is that HUD places a cap on median income.

Table III-33 Housing Affordability Criteria: County of Orange Housing Program January 1, 1992 - March 31, 1992		
	For Sale Units	Rental Units
Cost Based Definition: The payment or rent does not exceed		
A. For LOW units	\$1,240	\$1,127
B. For MODERATE I units	\$1,550	\$1,409
C. For MODERATE II units	\$1,850	\$1,690
Income Based Definition: The occupant(s) yearly income does not exceed		
D. For LOW units	\$45,077	\$45,077
E. For MODERATE I units Median Income	\$56,346	\$56,346
F. For MODERATE II units	\$67,615	\$67,615
Notes: If A, B or C above is applied to for-sale units, the payment must include principal, interest, taxes, insurance, and homeowner association dues, and should be calculated based on a 10 percent down payment. The monthly payment may increase by 10 percent if the unit to be certified includes more than two bedrooms, or includes two bedrooms and is 1,400 square feet or more, and/or if it is a single family detached unit. Actual down payment may be higher, but payments must be reduced accordingly.		
Source: County of Orange Environmental Management Agency.		

Table III-34 summarizes the affordable housing requirements by Planned Community. The total number of units shown on the table is the total number of units subject to County initiated affordable housing programs. This is not the number of total units anticipated at build-out because many units were built in the City prior to the County establishing an affordable housing requirement.

Table III-34 Affordable Housing Requirements by Planned Community					
Planned Community	Total Units	All Requirements			
		L	M _I	M _{II}	Total
Beacon Hill	1,024	92	92	46	230
Bear Brand	1,707	171			171
Bear Brand Hill	225	20	20	10	50
Country Village	4,486	386	386	192	964

Table III-34
Affordable Housing Requirements by Planned Community

Planned Community	Total Units	All Requirements			
		L	M _I	M _{II}	Total
Colinas de Capistrano					
Areas I & II	3,410	0	126	102	842
Laguna Niguel					
Areas A, D, E2-3, E16, G, K3-4, M, O, & N	9,493	945	914	456	2,315
South Laguna Specific Plan	383	75	15	10	100
Total for Planned Communities	20,728	1,689	1,553	816	4,672
There is a discrepancy between the total requirements, and the sum of L, MI and MII, because a break-down of requirements for Colinas De Capistrano Area II was not available. Source: City of Laguna Niguel					

Table III-35 identifies specific projects with affordable units that were constructed in the City to satisfy County housing requirements. The Table does not document instances where requirements were satisfied through a transfer of affordable housing credits, or where excess credits were generated through on-site construction of units. It is recognized that gaps in the information/documentation exist, and, where appropriate, these gaps are identified.

Table III-35
Projects Satisfying Affordable Housing Requirements

Project	Type	Affordable Units Built							Term
		Bond			County				
		VL	L	Total	L	M _I	M _{II}	Total	
Beacon Hill									
Beacon Hill Terrace	Condo				28	13	15	56	None
Seawatch	Condo				40			40	30-year resale restrictions. Start date: 1985
Windrift	Condo				33	51	24	108	None
Subtotal					101	64	39	204	
Country Village									
Casa La Paz	Condo				49	26	15	90	None
Villa La Paz	Apt	100		100	100			100	Section 8 terminated 6/17/91. Projects remain in Program through 6/17/2001.
Village Niguel Terrace	Condo				60	42	12	114	None
Laguna Gardens	Apts	37	37	74	372			372	5 years

Table III-35

Projects Satisfying Affordable Housing Requirements

Project	Type	Affordable Units Built							Term
		Bond			County				
		VL	L	Total	L	M _I	M _{II}	Total	
Village Niguel Terrace II	Condo				22	8	8	38	None
Village Niguel Vistas/Heights	Detached				14	16	22	52	None
Subtotal		137	37	174	617	92	57	766	
Colinas De Capistrano - Areas I & II									
Villa Mira	Condo				53	62	59	174	None
Vista Del Cerro	Condo				0	23	37	60	None
Seaside Meadows	Apt	60	60	120	128	256	64	448	5 years
Phase I250& II349									Terminated
Subtotal		60	60	120	181	341	160	682	
Laguna Niguel PC									
Expressions	Condo				63	51	58	172	None
Ventanja	Apt					230	230	460	5 years
Milano	Apt				10	10	5	25	5 yr.
Mirador	Condo				60	34	37	131	None
Hidden Hills	Apt	32	32	64	124	124	61	309	5 years
Laguna Serrano	Apt	33.5	33.5	67	129	129	64	322	5 years
Windridge	Apt				138	138	68	344	5 years
Crown Terrace	Apt	17.5	17.5	35	18	18	8	44	5 years
Niguel Summit I	Apt	17	17	34	96	51	11	158	5 years
Country Club Villas	Apt	28	28	56	98	101	62	261	5 years
Pointe Niguel	Apt	32.5	32.5	65	324			324	5 years
									Terminated
Subtotal		160.5	160.5	321	1,060	886	604	2,550	
Affordable Units not Constructed.									
Laguna Niguel - Area N									
Niguel Vista	Condo				33	30	33	96	None
Subtotal					33	30	33	96	
Laguna Niguel - Area O									
Affordable Requirements met by Transfer of Vested Credits									
South Laguna Specific Plan									
Seaview Summit	Apt	10	10	20	48			48	5 years
									Terminated
Subtotal		10	10	20	48			48	
Additional Projects									
Palm Court					38	28	33	99	None

Table III-35									
Projects Satisfying Affordable Housing Requirements									
Project	Type	Affordable Units Built							Term
		Bond			County				
		VL	L	Total	L	M _I	M _{II}	Total	
Total		407.5	307.5	715	2,078	1,441	926	4,845	

There is discrepancy between the total County affordable units required, and the sum of L, MI and MII units, because a break-down of Seabrook is not provided. This complex is located in Dana Point, consequently, information on the complex is not in City files.

Source: City of Laguna Niguel

These tables show that although some planned communities within the County have met affordable housing requirements thus far, others have not, and, therefore, the affordable housing requirements for all areas within the County have not yet been met. The Laguna Niguel Planned Community met these requirements as of 1992. However, the terms on some these projects are limited and are subject to termination, thereby reducing the number of projects satisfying affordable housing requirements. As shown on Table III-35 a number of projects totaling over 2,700 units have term limits, which may or may not be renewed when the project term ends. Therefore, it is necessary to track the number of affordable units on a yearly basis so that affordable housing requirements can be met by build-out.

2. Coastal Zone

a. Units Approved

Effective January 1, 1982, State Law required that new housing developments constructed in the Coastal Zone provide affordable housing either in the Coastal Zone or within three miles from the Coastal Zone. All of the City's current development and entitled development located in the Coastal Zone was approved by the County.

From 1982 to the date of the City's incorporation, in December 1989, the County approved 727 residential units in the Coastal Zone. The County's compliance with State Law consisted of two housing projects and the transfer of vesting credits. Seaview Summit is an apartment project, located in the Coastal Zone which provided 48 low-income units when it was constructed. Twenty of these units were defined as low-income based on the HUD median income and the remaining 28 units were low-income based on the County median income. The affordability restrictions on these 48 units lasted five years, and have since converted to unrestricted market rate rentals.

b. Units Replaced Because of Demolition or Conversion

State law has also established specific requirements for replacing affordable units located in the Coastal Zone which have been either converted or demolished. The City has not approved demolition of any residential units in the Coastal Zone since it incorporated in December of 1989.

In addition, no conversion requests have either been submitted to or approved by the City for units in the Coastal Zone.

3. Mortgage Revenue Bond Financing

Mortgage revenue bonds are issued by local government, housing authorities, redevelopment agencies and other state agencies, to support the development of multifamily or single-family housing for low- and moderate-income households.

a. Multi-Family Housing Revenue Bond Program

Table III-36 lists projects in Laguna Niguel that received bond financing. All of these projects received bond financing prior to 1986. Consequently, these units did not have rent restriction requirements. At the time of financing, the requirement for bond projects was at a minimum, 20 percent of the total number of units in the project must be available for occupancy for lower income households. At least one-half of the set-aside units must be designated for occupancy, on a priority basis, by Very Low Income tenants. The set-aside units did not necessarily have to be occupied by a very low income tenant, only designated for such tenants. After 1986, the requirements changed to include rent restrictions for bond units. It should also be noted that the units under this program are subject to the HUD median income and standards of affordability.

Table III-36					
Multifamily Mortgage Revenue Bonds					
Project	Issue Amount	Total Units	LOW INCOME UNITS		
			Very Low	Lower	Total Low Income Units
Seaside Meadows	\$35 million	599	60	60	120
Crown Terrace	\$10.4 million	176	17.5	17.5	35
Pointe Niguel	\$28.5 million	324	32.5	32.5	65
Niguel Summit I*	\$58.4 million	170	17	17	34
Country Club Villas* (Niguel Summit II)		280	28	28	56
Hidden Hills*		324	32	32	64
Seaview Summit	\$8.5 million	100	10	10	20
Laguna Gardens	\$24 million	372	37	37	74
Laguna Serrano	\$23 million	336	33.5	33.5	67
Totals	\$187.8 million	2,681	267.5	267.5	535

* Projects combined for financing.

Source: County of Orange Administrative Office, September 1991, rent rolls for Niguel Summit, Hidden Hills, and Seaview Summit. Laguna Gardens information obtained from Regulatory Agreement and Declaration of Restrictive Covenants relating to Revenue Bond Issue AA of 1985, dated 12/1/85.

b. Single Family Mortgage Revenue Bond Program

Mortgage revenue bonds for single-family housing are issued to finance the purchase or rehabilitation of owner occupied units. Proceeds from the bond sales are used to make mortgage or rehabilitation loans to qualified low- and moderate-income buyers. The bonds enable the issuer to offer low-interest loans, thereby increasing ownership opportunities for households which have difficulty in obtaining traditional financing. The bonds are serviced and repaid from the property owner's mortgage payments. The County of Orange issues these bonds, however, administration of the program is the responsibility of the Southern California Home Financing Authority (CHFA), a joint powers authority of Los Angeles and Orange counties. CHFA single-family income limits for Orange County are as follows:

Existing Resale:

- Moderate Income: 1-2 persons - \$68,300 / 3+ persons - \$78,545
- Low Income: 1-2 persons - \$40,980 / 3+ persons \$47,127

New Construction:

- Moderate Income: 1-2 persons - \$68,300 / 3+ persons - \$78,545
- Low Income: 1-2 persons - \$47,810 / 3+ persons \$54,982

Orange County has been targeted as a "high-cost" county and therefore, income limits as of June 1999 are \$81,960 for one or two persons and \$95,620 for three or more persons. Between 1980 and 1992, the County approved 10 single-family, tax exempt revenue bond issues totaling approximately \$552 million. Bond proceeds provided over 6,000 home loans countywide during that period. According to the Costa Mesa Branch of Western Bank Mortgage Company, thirteen residents in Laguna Niguel received financing under this program between 1980 and 1992. The total loan amount for these residents was \$1,173,251. In addition, the Costa Brava development project in Laguna Niguel, located in Laguna Niguel Planned Community Area A, also received this form of financing.

4. HUD Section 8 Housing Program

The Orange County Housing Authority administers the Section 8 Certificate/Voucher Program. The Section 8 rental assistance program extends rental subsidies to low income families which spend more than 30 percent of their monthly income on rent. Fair market rents for the Orange County area in fiscal year 2000 are provided in Table III-37 below. The subsidy represents the difference between the excess of 30 percent of the recipient's monthly income and the federally approved fair market rents (FMR). In general, the FMR for an area is the amount that would be needed to rent privately owned, decent, safe and sanitary rental housing (See Table III-38).

Table III-37				
Fair Market Rents for Existing Housing: Orange County				
Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
\$660	\$720	\$891	\$1,240	\$1,380

Source: Federal Register, HUD, October 1, 1999.

There are two forms of rental assistance available under Section 8; the Certificate and Voucher Programs. Under the certificate program, the landowner enters into a contract with the local Housing Authority which limits rent for the low-income unit to the FMR. The rent for units under the voucher program are not limited. The tenant, however, must pay the difference between the FMR standard and the actual rent. Both subsidies are paid directly to the landlord.

Of the apartment complexes in Laguna Niguel (Table III-38 provides a complete list), only two continue accept Section 8 certificates: Alicia Park and Villa La Paz. Other complexes either discontinued their participation in the Section 8 Program or have rents that exceed the federal Fair Market Rent standards, making the units ineligible for participation in the federal Program.

Table III-38			
Apartment Complexes in Laguna Niguel			
Apartment	Units	Parcel #	Discretionary Permits
Alicia Park*	56	655-131-15	SP84-130A
Country Club Villas	280	656-272-03	SP90-051110001ZA
Laguna Brisas	176	653-012-24	SP84-30
Hidden Hills Apartments	324	653-223-01	Unavailable
Laguna Gardens	372	636-201-20	UP85-95P/SP85-173P
Laguna Serrano	336	637-082-61	SP85-118P
Milano Apartments	100	654-691-33	SP87-57
Niguel Summit	170	656-070-82	SP86-150P
Pointe Niguel	324	655-142-01	UP83-93P/SP83-115
Seaside Meadows	599	121-060-16	SP84-23A/SP84-17P UP84-212P/UP84-56
Seaview Summit	100	658-241-14	UP79-81P
Ventanja Apartments	460	654-071-18	SP87-04
Villa La Paz*	100	636-202-04	SP86-22
Windridge Apartments	344	653-172-02	Unavailable

*These apartments accept Section 8 certificates

Source: Laguna Niguel Community Development Department, Section 8 Apartment Complex Listing (7/2/97)

5. Affordable Housing Incentive Ordinance

In accordance with California Government Code Section 65915, cities must develop an ordinance specifying methods of providing developers incentives or regulatory concessions to construct affordable housing. The City currently has such an ordinance included in its Zoning Code. The City ordinance specifies incentives or regulatory concessions to developers who produce at least: (1) 20 percent of new residential units for low-income households, or (2) 10 percent of the units for very low-income households, or (3) 50 percent of the units for senior citizens. In return for the incentive or regulatory concession(s), the developer must ensure continued affordability for 30 years.

6. Section 202 Elderly or Handicapped Housing

Under this federally administered program, direct loans are made to eligible, private nonprofit sponsors to finance development of rental or cooperative housing facilities for occupancy by elderly or handicapped persons. The interest rate on such loans is determined annually. Section 8 funds are made available for all of the Section 202 units for the elderly. Rental assistance for 100 percent of the units for handicapped persons has also recently been made available.

Private, nonprofit sponsors may qualify for Section 202 financing loans. Households of one or more persons, the head of which is at least 62 years old or is a qualified non-elderly handicapped person between the ages of 18 and 62, are eligible to live in these units.

7. Granny Flats

A "Granny flat" or "Second residential unit" is a second unit with sleeping and cooking facilities that is specifically designated for rental occupancy by senior citizens. California Government Code Section 65852.1 authorizes localities to grant a zoning variance, special use permit, or use permit for a second unit if the dwelling is intended for the sole occupancy of either one or two adults over the age of 62. The floor maximum established by State law is 30 percent of the existing living area for an attached dwelling, and 1,200 square feet for detached dwellings. As stated in Section 9-1-35.7 of the Laguna Niguel Zoning Code, a secondary dwelling unit may be established in any residential district if a use permit is approved and all standards for such dwellings are met. Such standards include maximum square footage requirements, minimum lot size, setbacks, architectural compatibility, and parking, among others. As with second units, granny flats can provide affordable housing for low-income senior households.

8. Community Development Block Grant Funds

Through the CDBG program, HUD provides local government funds for a range of community development activities that benefit lower income households. Cities with a population of 50,000 persons or more are "entitlement cities" and can administer CDBG funds. Non-entitlement cities must rely on the local housing authority for administration of funds. In Orange County, the Orange County Housing/Community Development Program Office is responsible for distributing CDBG funds to non-entitlement cities..

In 1992 the City of Laguna Niguel received \$45,000 in funding for its first year allocation from the CDBG program. In 1997, the City of Laguna Niguel became an entitlement city and has received approximately \$300,000 in CDBG funds annually. The City funds eligible service providers to provide services such as fair housing counseling, senior shared housing, temporary shelters and rental assistance. Funds are also used for park improvements or other infrastructure improvements in low and moderate income areas of the City.

9. Housing Trust Fund

Faced with an increasing housing need and diminishing federal support for low and moderate income housing, communities are increasingly turning to Housing Trust Funds (HTF) as a means to address their local housing problems. A HTF is a legal mechanism for receiving and distributing monies slated for, and dedicated to, the provision of affordable housing.

HTFs, created by ordinance or legislation at the city, county or state level, must accomplish two objectives. First, revenue sources must be identified and dedicated. Second, the HTF must be established as a distinct entity capable of receiving and distributing monies. The former provides an on-going source of funding for the Housing Trust, and the latter is critical as it places the fund outside the realm of the annual budgeting process.

A variety of public and private revenue sources are utilized in HTFs. Private funds include primarily funds or the interest earned from accounts held in financial institutions. Grants, donations and contributions constitute other sources of private funds. Public funds include taxes or fees dedicated in whole or in part to the HTF. The four major revenue source categories are:

- Revenue from Development Ordinances, Fees or Taxes,
- Revenue from Real Estate or Development Activity,
- Market-Based or Private Revenue Sources, and
- Revenue Generated from Government Programs.

Revenue obtained from public and private sources are used to fund on-going housing programs, develop new programs and award requests for proposals from eligible applicants. HTFs can be awarded to local non-profits to purchase units eligible to convert to market rate units.

10. Homesharing

Orange County Senior Services coordinates 15 Senior Citizen Homesharing Programs throughout the County. These programs provide referral/matching services to people with limited incomes seeking housing as well as owners that wish to share their homes. Homesharing serves the renter by providing a low-cost alternative to rental units and supplements the income of the home owner. In addition participants, which are typically seniors, are provided with companionship. The primary population served are the elderly; 63 percent of referrals are made to people over the age of 60.

South County Senior Services serves the City of Laguna Niguel as well as other southern Orange County jurisdictions. This program relies on CDBG funds, and funding from the Orange County Housing Authority and participating cities. Over the past three years, the City of Laguna Niguel has contributed CDBG funds to this organization. During the 1999-2000 fiscal year, the City contributed \$3,000 toward this program.

The Homesharing Program has matched over 1,000 persons in Orange County since its inception in 1985. Records detailing the number of referrals in the City of Laguna Niguel are not available. However, according to South County Social Services, a need for alternative housing arrangements exists in any area where the cost of a one-room apartment exceeds \$676 - the maximum monthly benefit for a single Social Service recipient. This maximum monthly benefit is expected to increase in January 2000, but the amount of the increase is currently unknown.

11. Reverse Mortgage Program

This program is to assist homeowners that are cash poor but have substantial equity built into their homes. Homeowners can draw needed income from the accumulated equity in their home through a reverse mortgage. The reverse mortgage is a deferred payment loan, or a series of such loans, for which a home is placed as security. Reverse mortgage programs typically permit homeowners to borrow up to 80 percent of the assessed value of their property, receive needed principal of up to 25 percent of the loan, and receive monthly annuity payments for the life of the loan.

The Orange County Housing Authority has been certified by HUD to provide counseling services for individuals seeking this type of loan. Responsibilities include: providing counseling services to seniors interested in applying for this loan; working with private lending institutions providing these loans; and working with seniors in completing loan applications. South County Senior Services is currently seeking certification by HUD to administer this program.

12. Equity Sharing

Equity sharing allows low-income households to purchase a home by sharing the cost of home ownership with an investor-sponsor. The investor and occupant combine resources for the down payment and subsequent house payments. The equity earned from appreciation of the unit is split between the occupant and the investor/sponsor, according to a pre-arranged agreement.

This program is flexible and can be tailored to the individual needs of investors and occupants. Current investors in the equity sharing programs include the State Department of Housing and Community Development, local government, private developers and lenders, and non-profit agencies.

13. Condominium Conversion

The conversion of rental properties to condominiums may result in the displacement of existing tenants. Some of these tenants may be unable to purchase their units because monthly payments may exceed rental costs, and others may lack sufficient funds to make a down payment.

A number of multi-family complexes were developed in the City to satisfy County affordable housing requirements. In order to mitigate the impact of displacement resulting from conversion of these apartment units into condominiums, the City uses its adopted Condominium Conversion Ordinance (Section 9-1-36 of the Laguna Niguel Zoning Code) to protect existing tenants. The Ordinance requires that an applicant complete a Housing Report which addresses the balance of housing in the area and vacancy rates. A Relocation Plan is also required to ensure that successful relocation of the tenants occurs. The Ordinance also requires adequate notice to tenants and provides that tenants have a preemptive right to purchase their unit. The Ordinance also incorporates Section 65915.5 of the California Government Code to identify incentives for developers to provide low- and moderate-income units in the proposed condominium project. Since incorporation, no units have been converted from rental housing.

14. HOME Program

As part of the passage of the Cranston-Gonzalez National Affordable Housing Act of 1990, the California Department of Housing and Community Development (HCD) will allocate approximately \$30 million in federal funds from the HOME Investment Partnership Program. These funds may be used for rehabilitation, site acquisition of land or structures, tenant-based rental assistance, or new construction. Since the enactment of the program, no units in Laguna Niguel have relied on HOME funds.

K. FUTURE HOUSING NEEDS

State housing element law requires that each city analyze its existing and projected housing needs for all income levels. This analysis must include a locality's fair share of the regional housing need including a proportionate share of the region's affordable housing. SCAG, in its RHNA, prepares the distribution of regional need in conjunction with the California Department of Housing and Community Development. The 1999 RHNA study for Orange County was developed by the Orange County Council of Governments (OCOG) with input from local jurisdictions. OCOG has approved the proposed RHNA numbers and forwarded the study to SCAG for final approval.

The RHNA is required by State law to be prepared two years in advance of a region's Housing Element due date. Since Housing Elements for all jurisdictions in the SCAG region are due every five years, the RHNA used a seven-year planning period from 1998 to 2005, so that local jurisdictions have the ability to incorporate the RHNA numbers into their Housing Elements.

The City's regional need is calculated by taking into consideration the City's projected growth over the seven-year period and adjusting it for the current vacancy need and demolitions. The current RHNA was prepared in 1999 and is shown in Tables III-39 and III-40 below. SCAG projects that the City will need to provide 1,236 dwelling units or 165 units per year. State law requires that the City's regional need be distributed on the basis of income in order to avoid concentrating lower income units in jurisdictions which already have a high concentration. This calculation takes into account the current distribution of household income compared to the regional average. Based on SCAG methodology, the City must distribute their share of the regional need as shown on Table III-40.

Table III-39 SCAG'S Regional Housing Needs Assessment Allocation 1998 - 2005				
Household Growth	Net Vacancy Adjustment	Demolition Adjustment	Total Construction Need	Annual Construction Need
1,968	- 841	109	1,236	165

Source: SCAG 10/21/99.

Table III-40 SCAG'S RHNA Distribution By Income					
Units	Very Low	Lower	Moderate	Upper	Total
Number of Units	202	138	227	669	1,236
Percent of Units	16 %	11 %	18 %	54 %	100 %

Source: SCAG 10/21/99.

A potential Housing Element issue is that the City will contest the RHNA allocation. Staff has prepared an appeal letter to SCAG contesting the number of low and very low income units required in Laguna Niguel. The forecasted growth for the City is accurate; however, the forecast discussed total housing units and did not differentiate between those units already approved, entitled or committed as part of a Development Agreement and those units subject to future City discretionary approvals where the City may have the ability to influence affordability. The City's alternative RHNA is contained in Table III-41. The table shows that people with moderate and above moderate incomes are most in need of housing. Very-low and low-income needs represent only 27 percent of the total need, while above moderate-income groups represent 54 percent of the total need. Although the percentages of units for each income group are the same as SCAG's RHNA allocation, the City projects different housing unit numbers based on entitlement.

Based upon the latest vacant residential land survey, the City has available sites to meet the RHNA allocation (1,236 units); however, the City does not have the ability to control the cost distribution of housing units. Since most of the City's new housing will be constructed in previously entitled areas, such as the San Joaquin Hills and Hillcrest Estates Subdivisions, and since the units were not approved as affordable units, the City cannot require the construction of a sufficient number of very low and low income units to satisfy the RHNA numbers.

Table III-41 City's Proposed RHNA Distribution					
Construction Need	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total Remaining Development
Units Constructed 1997-2000				497	497
Entitled Units				557	557
Non-Entitled Units	30	20	33	99	182
Percent	16 %	11 %	18 %	54 %	
Total Construction Need	30	20	33	1,153	1,236

Source: Laguna Niguel Community Development Department, 1999.

L. FUTURE RESIDENTIAL GROWTH AREAS

The majority of developable land in Laguna Niguel has already been developed. As shown in Table 42 and by the 2000 Vacant Land Survey Map contained in Appendix A, there are very few opportunities for future residential housing developments in Laguna Niguel. Only 1,575 new units can be built if 100 percent build-out occurs. Of this amount, 1,393 units are already entitled and under construction and will not be affordable units, since the only action the City can take is the ministerial action of issuing building permits. Subtracting 1,393 entitled units from the City's anticipated 1,575 units, leaves 182 non-entitled units that could be developed at densities that are potentially affordable, with regulatory or financial incentives. Other than the two multi-family sites, no other land is available for, or suited to, residential development. Further discussion of possible constraints will be discussed later in this document.

Table III-42 Future Residential Dwelling Unit Availability in Laguna Niguel					
Subdivision	Tract #	Remaining Units	Land Use/Zoning	Permits Remaining	Affordability Constraints
Residential Detached					
Pamillia	12765	24	South Laguna Specific Plan/SFR	Building Permits	Coastal Zone Properties/Custom Residences under construction
Coronado Point	12764	3	South Laguna Specific Plan/SFR	Building Permits	Coastal Zone Properties/Custom Residences under construction
Laguna Sur	8551	15	South Laguna Specific Plan/SFR	Building Permits	Coastal Zone Properties/Custom Residences under construction

Subdivision	Tract #	Remaining Units	Land Use/Zoning	Permits Remaining	Affordability Constraints
Monarch Point	9702 12041	28	South Laguna Specific Plan/SFR	Building Permits	Coastal Zone Properties/Custom Residences under construction
Binion	12004	22	South Laguna Specific Plan/SFR	Building Permits	Coastal Zone Properties/Custom Residences under construction
Hon	TPM 90-304	1	Planned Residential/ SFR	Building Permits	Hillside property, EIR prepared for 1 houses and 1 guest house
South Peak	Various	9	SFR	Building Permits	Gated Community/Custom residences under construction
Bear Brand Ranch	Various	20	SFR	Building Permits	Gated Community/Custom residences under construction
Bear Brand Ranch A-1 District	Various	12	Rural Residential	Building Permits	Hillside property/Custom residences under construction/views overlooking San Juan Capistrano
Ocean Ranch at Bear Brand	Various	82	SFR	Building Permits	Gated Community/Custom residences under construction
Colinas De Capistrano	5241	35	SFR	Building Permits	Geologic Issues
Estates at Rancho Niguel	12851	23	SFR	Building Permits	Gated Community/Custom residences under construction
Big Country	10273, 13811 to 13816	778	SFR	Building Permits	Gated Community under construction
Highlands North	15682, 15683, 15622	183	Aliso Creek Local Coastal Program/SFR	Building Permits	Gated Community/Custom residences under construction
Village Niguel Gardens	Various	150	Multi-family	Building Permits	Under Construction
Miscellaneous	Various	8	SFR	Building Permits	

Sub Total		1,393			
Residential Attached					
Park Niguel		9	Multi-Family	Site Development Permit	
Big Country	10273	173	Multi-Family	Site Development Permit	
Sub Total		182			
Totals		1,575			

Source: Laguna Niguel Community Development Department, 1999.

There are fewer areas of commercial vacant land for managed care residences and public service organizations offering shelter. Six parcels are located in the northern and central portions of Laguna Niguel. The Civic Center property has 297,070 square feet of land for future use and the Shapell property contains 399,634 square feet of land. Both are zoned Community Commercial and designated Community Commercial, Professional Office, Public Institution by the General Plan. The Niguel Medical Property contains 24,070 square feet of available land and is zoned and designated Community Commercial with a Manage Care Overlay. The Camino Los Padres Sites are zoned the same as the Niguel Medical Property and contain 95,276 square feet of available land. The Chet Holifield Federal Site has 300,000 square feet of available land, is designated Public Institutional, Professional Office, and is zoned Public Institutional. Finally, the Cabot Road, Crown Valley Parkway Site has 106,722 square feet of available land, is designated Community Commercial, Professional Office, Public Institutional, and zoned Mixed Use under the Gateway Specific Plan.

Some residential uses are permitted in commercial districts with a use permit. Emergency shelters are a permitted use in all commercial districts, childcare facilities are permitted in all commercial districts with a Use Permit, and caretaker residences are permissible in all commercial districts with a Minor Use Permit. Managed care facilities in a managed care overlay district are permissible in Neighborhood Commercial, Community Commercial, and Public Institutional districts. Rooming and boarding houses, single room occupancy hotels, and transitional shelters are also permissible in Public Institutional districts with a Use Permit.

1. Units Eligible for Conversion

In 1989, the California Government Code was amended to include a requirement that localities identify and develop a program in their housing elements for the preservation of assisted, affordable multi-family units. Subsequent amendments have clarified the scope of the analysis to also include units developed pursuant to inclusionary housing and density bonus programs. In the preservation analysis, localities are required to provide an inventory of assisted, affordable units that are eligible to convert within ten years. As part of the analysis, an estimation of the cost of

preserving versus replacing the units is to be included, as well as programs designed to preserve the affordable units.

The California Housing Partnership Corporation provides an inventory of federally subsidized rental units at risk of conversion. The 1999 update, which identifies units at risk through the year 2020, identifies two apartment complexes in Laguna Niguel: Alicia Park, and Villa La Paz. The Alicia Park Apartments contract for all of its 56 units is due to expire in 2004. While the contract with Villa La Paz will expire in 2001, affecting 100 units. In all, 156 units currently under contract will expire within the next three years. The City could see the conversion of the units to market rate, and each of these contracts has a high risk of conversion.

In addition, The Use of Housing Revenue Bond Proceeds: Annual Summary 1991 prepared by the California Debt Advisory Commission (CDAC), and the Orange County Administrative Office (CAO), provided a listing of units receiving bond financing. The expiration of the project qualifying periods for the affordable units were obtained by researching original bond records at the CAO. Under the County IHP/HOP, apartment units were rent-restricted for five years, dating from the time of building occupancy. A total of 816 inclusionary units are known to have converted to market rate to date. There are six bond-financed apartment complexes with a total of 316 units at-risk of converting over the next ten years: Country Club Villas (56 units), Laguna Gardens (74 units), Laguna Serrano (67 units), Niguel Summit (34 units), Pointe Niguel (65 units), and Seaview Summit (20 units). Therefore, a total of 472 (156 subsidized and 316 bond-financed units) rental units currently restricted to low or very low income households are at risk of conversion between 2000 and 2009.

Table III-43 identifies assisted and inclusionary units with income/occupancy restrictions that are eligible to convert to market rate (restrictions ending) within ten years from the adoption of this Housing Element. As noted in Table III-43, all of the existing inclusionary units in the City were eligible to convert within five years from the date that income and occupancy restrictions were imposed. Some of the dates of termination are provided as a range because the actual date is dependent on the time the affordable unit was released for rent. It is important to recognize that Mortgage Revenue Bond (MRB) and Section 8 units are used to satisfy County affordable housing requirements. Therefore, in cases where both inclusionary and assisted units are provided, the total number of remaining IHP/HOP, includes the total number of MRB and Section 8 units. None of the units listed below are restricted to seniors.

It should also be noted that some market rate rents fall into an affordable category for low-income households (see page 44). A project that is scheduled to convert to market rate does not necessarily mean the loss of all affordable units (although conversion will probably result in the loss of all very low-income units).

In addition to the rental units show in Table III-43, there are 40 condominium (ownership) units in Seawatch that have 30-year resale restrictions. These units may only be resold to low-income households. The affordability restrictions do not expire within the 2000-2010 period and are not considered at-risk unit.

Table III-43
Assisted and Inclusionary Units Eligible for Conversion

Inclusionary Housing Program/Housing Opportunities Program								Bond and Section 8 Programs				
Name	Location	Units	L	MI	MII	Total Units	Termination Date	Program	VL	L	Total Units	Termination Date
Alicia Park	23698 Niguel & Alicia Pkwy. 92677	Apts	—	—	—	—	—	FHA - Section 221(D)(4) Section 8-New Construction	56		56	4/4/2004
Country Club Villas	30902 Clubhouse Drive 92677	Apts	Terminated					MRB: Issue U	28	28	56	11/1/2009
Laguna Gardens	24348 Azal Court 92677	Apts	Terminated					MRB: Issue AA/1985	37	37	74	12/1/2008
Laguna Serrano	30001 Golden Lantern 92677	Apts	Terminated					MRB: Issue U	33.5*	33.5*	67	4/12/2000
Niguel Summit I	30252 Pacific Island Drive 92677	Apts	Terminated					MRB: Issue U/Series A, 1985	17	17	34	10/7/2001
Pointe Niguel	29781 Niguel Road 92677	Apts	Terminated					MRB: Issue E/1995	32.5	32.5	65	11/2/2007
Seaview Summit	102 Island 92677	Apts	Terminated					MRB: Issue X, 1995	10	10	20	1/31/2005
Villa La Paz	24275 Avenida Breve 92677	Apt	100			100	Will terminate with Section 8 Contract***	FHA - Section 221(D)(4) Section 8 - New Construction	100		100	6/17/91***
Total			100	0	0	100			314	158	472	

* It is recognized that .5 units cannot be provided; .5 indicates that no less than the preceding whole number shall be provided.

** The initial term of the Section 8 contract has expired. However, the property owner has indicated a desire for it to remain in program until 6/17/2001.

MRB - Multi-family Housing Revenue Bond

The totals for IHP/HOP, MRB and Section 8 units are not additive; rather the MRB and Section 8 units are included in the totals for IHP/HOP units.

The initial cost of conserving the assisted units is estimated to be significantly less than that required to replace the units through new construction. Detailed information is not available to calculate the difference in cost between preserving and constructing units affordable to low income households. However, conservation of assisted units generally requires subsidizing the difference between market-rate and assisted rents. It is estimated that average annual subsidy per unit would be \$4,000 to provide replacement housing for very low and low-income occupants of at-risk rental housing project. The average annual subsidy for 472 units would be about \$1.8 million, or about \$54 million over 30 years (the typical time period of affordability for many state and federal programs). The difference between very low-income and market rate rents requires the most subsidy. Subsidizing low and moderate income households does not require as much initial subsidy as constructing new units. The annual subsidy creates an ongoing financial obligation, however, and may cost more in the long run even when the time value of money is considered. Since land prices and land availability are generally the limiting factors to development of low income housing, it is estimated that subsidizing rents to preserve assisted housing is more feasible and economical than new construction.

Although no current information is available on the possible market value of the at-risk rental developments, it is likely that high property values in Laguna Niguel would require a would-be buyer to pay premium prices for such a property. To preserve these units through acquisition would require a large up-front investment (perhaps nearly as much as constructing comparable

dwelling units) and an ongoing annual subsidy to maintain their affordability to very low and low income households. Table 44 shows the estimated minimum cost of replacing 472 units with new construction. This minimum costs assumes a nonprofit agency develops the housing and that the replacement units are constructed at a density of 25 units per acre or greater to reduce the per-unit land cost. Although the total 30-year cost of constructing replacement units appears to be lower than the 30-year cost of providing annual subsidies to 472 households, the present value of providing the subsidies is less, even assuming annual inflation of three percent over 30 years, because the dollars are not all paid out up front. The present value of the estimated \$1.8 million annual rental subsidy needed for 472 households is approximately \$1 million.

Table III-44
Apartment Replacement Costs

Cost Type	Per Square Foot	Per Unit Cost	Cost for 207 Units
Land Cost	\$23	\$63,840	\$30.1 million
Construction Cost	\$69	\$21,600	\$9.2 million
Permits and Fees	\$12	\$11,200	\$2.7 million
Soft Costs	\$4	\$4,000	\$1.7 million
Financing	\$10	\$9,200	\$3.9 million
Marketing/Other	\$3	\$3,160	\$1.3 million
Total	\$121	\$118,000	\$48.9 million (\$103,602 per rental unit)

With regard to Section 8 projects, the property owner can opt to terminate its Section 8 contract (opt-out), or renew the contract for another five years. The primary incentive for Section 8 property owners to opt-out is the higher rent that would be paid for these units at market value.

In order for the property owner to successfully opt-out of the Section 8 contract, the owner must satisfy certain procedural requirements. A Notice of Intent (NOI) must be filed with HUD one year before the termination date that indicates the owner's intent to convert the units to market rate. Failure to file an NOI within the specified timeframe, or follow the other procedures to opt-out of the Section 8 contract, results in an automatic contract roll-over for five years. Upon filing of an NOI, HUD may offer several incentives to property owners to remain in their contracts including re-financing the property mortgage, and establishing higher rents charged for the projects.

Pursuant to Section 65863.10 of the Government Code, the property owner of a Section 8 project must also provide six month advanced notification of each tenant household if the property owner intends to terminate the Section 8 contract. The notice must indicate the anticipated date of conversion and anticipated rent increase. The property owner is also required to serve notice to the City of Laguna Niguel. Presently, the City has identified one non-profit corporation, the

Orange County Community Housing Corporation, which has the legal and managerial capacity to acquire and manage affordable housing developments. The City is also researching Civic Center Barrio, Affordable Housing Opportunities, and Jamboree Housing Corporation as non-profit corporations which may have the legal and managerial capacity to manage affordable housing projects.

A number of non-profit housing agencies that operate in Orange County have placed their names on the statewide registry of organizations interested in the right of first refusal. These organizations are potentially interested in acquiring and preserving affordable rental housing developments for continued occupancy by low-income tenants. Table III-45 lists the organizations in Orange County.

Table III-45 Nonprofit Organization in Orange County Interested in the Right of First Refusal		
Name of Organization	Address	Telephone
Community of Friends	3345 Wilshire Blvd., STE 1000 Los Angeles CA 90010	(213) 480-0809
Affordable Housing People	7720 B El Camino Real, STE 159 Carlsbad CA 92009	(760) 436-5979
BRIDGE Housing Corporation	One Hawthorne, STE 400 San Francisco CA 94105	(415) 989-1111
BUILD Leadership Development Inc.	1280 Bison, STE B9-200 Newport Beach CA 92660	(949) 720-7044
Century Housing Corporation	300 Corporate Pointe, STE 500 Culver City CA 90230	(310) 642-2007
Civic Center Barrio Housing Corp.	1665 E. 4th St, STE 210 Santa Ana CA	(714) 835-0406
Civic Center Barrio Housing Corp	7225 Cartwright Ave Sun Valley CA 91352	(818) 503-1548
Eden Housing, Inc.	409 Jackson St Hayward CA 94544	(510) 582-1460
H.O.M.E.S., Inc	4341 Birch St., STE 213 Newport Beach CA 92660	(949) 851-2766
Housing Authority of the City of Los Angeles	P.O. Box 17157, Foy Station Los Angeles CA 90017	(213) 252-2701
Housing Corporation of America	31423 Coast Highway, STE 7100 Laguna Beach CA 92677	(323) 726-9672
Jamboree Housing Corporation	2081 Business Center Dr #216 Irvine CA 92612	(949) 263-8676
Long Beach Affordable Housing Coalition, Inc	110 West Ocean Blvd., # 350 Long Beach CA 90802	(562) 983-8880
Los Angeles Housing Partnership, Inc	515 S Figueroa St. STE #940 Los Angeles CA 90071	(213) 629-9172
Neighborhood Housing Services of Orange County Inc.	350 Hillcrest La Habra CA 90631	(562) 694-2051
San Diego County SER-Jobs for Progress	3355 Mission Ave., STE 123 Oceanside CA 92054	760) 754-6500
Shelter ForThe Homeless	15161 Jackson St. Midway City CA 92655	(714) 897-3221
Solari Enterprises	1544 W. Yale Ave Orange CA 92687	(714) 282-2520

Source: California Department of Housing and Community Development (1999)

M. OPPORTUNITIES FOR ENERGY CONSERVATION

There are many opportunities for conserving energy in new and existing homes. Construction of energy efficient buildings does not lower the price of housing. However, housing with energy conservation features should result in reduced monthly occupancy costs as consumption of fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can result in a reduction in utility costs. Examples of energy conservation opportunities include weatherization programs and home energy audits; installation of insulation; installation or retrofitting of more efficient appliances, and mechanical or solar energy systems; and building design and orientation which incorporates energy-conservation considerations. The City enforces all provisions of Title 24 of the California Administrative Code, which provides for energy conservation features in new residential construction.

Many modern design methods used to reduce residential energy consumption are based on proven techniques that have been known to humans since the earliest days of collective settlement. These methods can be categorized in three ways:

1. Building design that keeps natural heat in during the winter and keeps natural heat out during the summer. Such design reduces air conditioning and heating demands. Proven building techniques in this category include:
 - location of windows and openings in relation to the path of the sun to minimize solar gain in the summer and maximize solar gain in the winter;
 - use of "thermal mass," earthen materials such as stone, brick, concrete, and tiles that absorb heat during the day and release heat at night;
 - "burying" part of the home in a hillside or berm to reduce solar exposure or to insulate the home against extremes of temperature;
 - use of window coverings, insulation, and other materials to reduce heat exchange between the interior of a home and the exterior;
 - location of openings and the use of ventilating devices that take advantage of natural air flow (particularly cool evening breezes); and
 - use of eaves and overhangs that block direct solar gain through window openings during the summer but allow solar gain during the winter.
2. Building orientation that uses natural forces to maintain a comfortable interior temperature. Examples include:
 - north-south orientation of the long axis of a dwelling;
 - minimizing the southern and western exposure of exterior surfaces; and
 - location of dwellings to take advantage of natural air circulation and evening breezes.
3. Use of landscaping features to moderate interior temperatures. Such techniques include:
 - use of deciduous shade trees and other plants to protect the home;
 - use of natural or artificial flowing water; and

- use of trees and hedges as windbreaks.

In addition to natural techniques that have been used for millennia, a number of modern methods of energy conservation have been developed or advanced during the present century. These include:

- use of solar energy to heat water;
- use of solar panels and other devices to generate electricity;
- window glazing to repel summer heat and trap winter warmth;
- weather-stripping and other insulating devices to reduce heat gain and loss; and
- use of energy efficient home appliances.

N. LAND INVENTORY

1. Vacant Land

A vacant land use summary prepared by the City estimates that an additional 1,575 dwelling units could be constructed in the City. Of these units, 1,393 are single family homes in custom home lot subdivisions (most of which are under construction), while 182 multi-family units could be constructed in two of these developments. Only these 182 multi-family units are NOT entitled (meaning the City must issue one or more discretionary permits and could impose an affordability requirement). Table III-42 provides a summary of residential development potential.

2. Redevelopment Potential

Because the City is relatively new, there is no redevelopment area. In addition, the City has not identified any areas that are underdeveloped with the potential for more intense residential uses through private initiatives. Commercial zones are developed or planned with suburban-style retail uses and offices. There are no opportunities for creating additional housing through mixed-used strategies, the conversion of older non-residential structures, or the construction of housing over street level retail (as would be the case in older "main street" and neighborhood commercial centers). For these reasons, the City has not identified additional sites that have "redevelopment potential" for housing as defined in Section 65583 of the Government Code.

3. Availability of Infrastructure and Services

All of the remaining sites with residential development potential are fully served by water, sewer, streets, and other public and private infrastructure and services. There are no infrastructure or service constraints to the development of these sites.

O. GOVERNMENT CONSTRAINTS

The Governmental constraints section of the Housing Element addresses actual and potential City governmental constraints, including policies, standards, requirements or actions, imposed upon

the development of housing for all income levels. Although federal and state agencies play a role in the imposition of governmental constraints, these agencies are beyond the influence of local government and are therefore not addressed in this document. The following factors may be actual or potential constraints to the maintenance, improvement, and/or development of housing for all income levels in Laguna Niguel: land use controls; building codes; processing procedures; and development fees.

1. Land Use Controls

There are two major sources of land use controls within the City: pre-existing entitlements including development agreements and vesting subdivision maps, and zoning regulations. Other existing policies contained in the General Plan and zoning regulations affecting development in the City include the subdivision ordinance; grading ordinance; and building codes. The City's General Plan and zoning and development regulations will have little practical impact on the construction of new housing in Laguna Niguel because 90 percent of the remaining dwelling units that can be developed on vacant land are entitled (only building permits required prior to construction).

2. Development Agreements

The City of Laguna Niguel incorporated in December of 1989 and was subject to pre-existing development agreements between developers and the County of Orange. Section 65864 of the Government Code outlines the provisions for development agreements. More specifically, Section 65865.3 states that development agreements approved by a county, prior to incorporation of a city, shall remain valid for the duration of the agreement or eight years from the effective date of incorporation. Three of the four development agreements in the City of Laguna Niguel were in full force and effect until December 31, 1998 and the fourth agreement was in effect until April 21, 1997.

Development Agreements are a mechanism for a developer to secure entitlement to real property. The development agreements in the City of Laguna Niguel establish specific land uses, park dedication requirements, development fees, infrastructure improvements, density, and affordable housing requirements. Developments are however, subject to the development standards in place at the time of development. When development agreements have expired, it is necessary to fall back on vesting maps.

Because development agreements are legally binding on the City, Laguna Niguel cannot unilaterally impose an inclusionary housing requirement on the remaining unbuilt subdivisions or prohibit the builders from constructing custom single family homes on the subdivided lots. It is unlikely that property owners covered by these agreements will voluntarily participate in an inclusionary housing program. It is even less likely that builders would agree to amend their subdivision maps to merge lots so that a multifamily housing project with some affordable units could be constructed.

The original development agreements have expired but have been replaced by vested subdivision maps. A vacant land analysis was conducted by the City which indicates that there are vacant sites

to accommodate 1,575 additional dwelling units prior to build-out. Of these future units, all but 182 units are located in areas subject to existing entitlements. Therefore, the City has limited ability to change the land use designations or density of the majority of the remaining residential development. Property owners have obtained subdivision maps approvals for most of the remaining dwelling units to be constructed under the vested maps. The only permits needed to actually build these homes (primarily single family homes on custom lots or market rate production houses) are building permits.

As of August 1999, 12 of 14 subdivisions representing nearly 1,200 of the remaining dwelling units covered by existing entitlements were under construction as stated in the RHNA Appeal Letter sent by the City to SCAG. Another eight vacant custom single family home lots are scattered throughout the City and only require building permits to be developed. Finally two sites zoned for multifamily use can accommodate 182 additional units.

The existence of vested maps covering nearly all remaining vacant land in the City creates a constraint that is beyond the City's control in designating sufficient sites to accommodate its RHNA share of low- and moderate-income housing.

3. Zoning Regulations

The City of Laguna Niguel inherited a number of land use controls administered in the community by the County prior to its incorporation. The City inherited seven Planned Community's, two Specific Plans, areas with conventional zoning, and a Local Coastal Program.

Both Planned Communities and Specific Plans are special types of zoning districts established to develop regulations which are applicable to a specific area. As part of the development of Planned Communities and Specific Plans, regulations for each district must also be established. The Planned Community Program requires that a Planned Community Text and Development Plan be adopted to establish specific development regulations. The development of a Specific Plan also requires the adoption of development standards.

In addition to inheriting Planned Communities and Specific Plans, the City inherited various types of permits which are part of the County's Land Use system. Feature Plans are one type of permit which conceptually describes a proposed development for an identified and relatively large area. The purpose of the feature plan is to describe how significant natural and man-made features will be preserved or developed and how large scale planning issues of special concern will be addressed. Area Plans are another type of permit which is similar to a feature plan, except that an area plan contains more detailed information and addresses a smaller area than the feature plan. Other types of permits include Use Permits, Site Development Permits, and Variances. These permits are all project specific and provide for either the review of a specific project proposal or a deviation from the established development standards.

In 1999, the City completed a comprehensive update of its Zoning Code and Planned Communities. A major component of that update was the consolidation of all the various planned communities into one zoning document. Table III-47 summarizes the provisions of that code that pertain to residential land uses.

Development Standards	TABLE III-46 Laguna Niguel Zoning Standards						
	RS-1 Rural Residential	RS-2 Residential Estate	RS-3 Single Family 3	RS-4 Single Family 4	RP Planned Residential	RA Attached Residential	RM Multi- Family
Max. Structure Heights	35	35	35	35	35	35	35
Min. Lot Size	4 ac	8,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	*	2,000 sq. ft.	N/A
Min Front Yard Setback	20	17	17	17	*	17	N/A
Min. Side Yard Setback (ft) ²	8	8	5	5	*	0/5	N/A
Min. Rear Yard Setback (ft.)	25	25	15	10	*	10	N/A
Maximum Lot Coverage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 nd Residential Unit	By Permit	By Permit	By Permit	By Permit	By Permit	By Permit	By Permit
Apartment Projects	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Allowed
Two-Unit attached dwelling	Prohibited	Prohibited	Prohibited	Prohibited	Allowed	Allowed	Prohibited
Residential Care Facilities 6 or fewer persons	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Managed Care Facilities, 7 or more persons. Must have MC overlay district.	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	By Permit
Guest Houses	Minor Use Permit	Minor Use Permit	Minor Use Permit	Prohibited	Prohibited	Prohibited	Prohibited
Parking Requirements	2 enclosed + 1 guest w/in 100ft	2 enclosed + 1 guest w/in 100ft	2 enclosed + 1 guest w/in 100ft	2 enclosed + 1 guest w/in 100ft	Between 1.5 -2.5 + 1 covered	Between 1.5 -2.5 + 1 covered	Between 1.5 -2.5 + 1 covered

* RP standards are contained in approved precise plans for each project.

The City's zoning standards allow for a wide range of single family lot sizes, from large residential estates to small "zero lot line" and attached dwellings. Setback standards allow for sufficient room to develop a range of housing sizes on single family lots. Parking requirements, while higher on the average than many other communities, have been determined to be the minimum necessary to ensure adequate off-street parking for residents and guests under normal conditions. The City can reduce parking requirements for specific developments, such as senior housing, that demonstrate a reduced level of automobile ownership and use by residents.

Minimum lot sizes for single family dwellings in planned residential districts are established by the original development agreement or vested map for the project. There is no minimum lot size or maximum dwelling unit density in the RM Multi-family zone.

In addition to establishing specific site development standards, the zoning code contains the following other ordinances which affect land use:

- Condominium Conversion Ordinance requires a use permit in order to convert existing rental units to condominiums. The use permit requires that each application contain a condominium conversion program including an affordable housing plan, an analysis of the balance of the housing in the community, vacancy rates, and a relocation plan.

- **Density Bonuses for Affordable Housing.** This ordinance is designed to implement the provisions of Government Code Section 65915 and 65915.5 which require local jurisdictions to provide incentives for the production of affordable housing units. The ordinance is also designed to implement the Housing Element's policies related to the provision of affordable housing.
- **Hillside Protection Ordinance (HPO)** was adopted in response to the City's unique land forms. The HPO was designed to regulate hillside development with the purpose of: protecting public health and safety; minimizing impacts to biological resources; and ensuring that the integrity of landforms are preserved. The HPO applies grading standards, such as requiring contouring of manufactured slopes, and includes landscaping requirements and limitations on development in steep areas.

4. Subdivision Ordinance

State law requires that local governments adopt a Subdivision Ordinance. To govern the process of converting raw land into development sites. State law grants local governments the authority to regulate the design and improvement of subdivisions, and to impose dedication and exactions on developers. The Subdivision Map Act establishes statewide uniformity in local subdivision procedures; standards for design and improvements are left to local government discretion.

The Subdivision Map Act distinguishes between subdivisions consisting of five or more parcels, and ones consisting of four or less parcels. The former subdivision requires a Tract Map, and the latter only a Parcel Map. In 1984, the legislation was amended to establish the Vesting Tentative Map. The approval of a Vesting Tentative Map confers a vested right to proceed with development in substantial compliance with the ordinances, policies, and standards in effect at the time the application for approval of the Vesting Tentative Map is complete. The Final Map must be approved if in substantial compliance with the approved tentative map. However, if general plan and zoning designations have been changed, the developer may not have the right to develop, unless the tentative map was a vested one.

The Vesting Tentative and Final Maps approved in the City, prior to its incorporation, are a major constraint to the production of housing. The basic use and design of developments on the majority of remaining vacant residential lands in the City have been established via County approval of these maps. Ninety-seven percent of the future dwelling units in the City are subject to a vested subdivision map or recorded map.

The City has imposed no additional subdivision requirements that would create barriers to the construction of housing or substantially increase its cost.

5. Second Units

The City allows second units in any residential zone on a single family lot with one detached owner-occupied dwelling unit under the following conditions:

- the second unit must be a rental;
- the second unit may be attached to, detached from, or created from existing floor area within the primary unit;
- the floor area may not exceed 30 percent of the floor area of the principal unit (up to 1,200 square feet maximum);
- the second unit must comply with all development standards of the zone in which it is located;
- an additional enclosed parking space is provided (plus another space if the floor area exceeds 640 square feet); and
- the second unit must be compatible with the design of the primary residence and the surrounding neighborhood.

The City's second unit policy is relatively broad and flexible with respect the zones in which second units are allowed and the conditions that must be met. The additional parking requirement should not present a constraint to the construction of second units because most single family homes in Laguna Niguel have three or four enclosed parking spaces, one of which could be used for the second unit.

6. Building Codes

Building Codes regulate the physical construction of dwellings and include plumbing, electrical and mechanical divisions. The purpose of the Building Code and its enforcement is to protect the public from unsafe buildings and unsafe conditions associated with construction. The City of Laguna Niguel enforces the Uniform Building Code as established by State Law.

State law affords local government some flexibility when adopting the uniform codes; the building codes can be amended based on geographical, topological or climatological considerations. Further, State Housing law provides that local building departments can authorize the use of materials and construction methods other than those specified in the uniform code if the proposed design is found to be satisfactory and the materials or methods are at least equivalent to that prescribed by the building codes. The Building Code adopted by Laguna Niguel is similar to those used by other local governments, and therefore does not pose any special constraints on the production or cost of housing.

7. Design Review

The City adopted design review guidelines (Title 9, Division 1, Article 2, Chapter 9 of the Laguna Niguel Municipal Code) and a design review process as part of the 1999 Zoning Code. The overall goal of the guidelines is to "enhance the quality of the manmade environment in the City." This goal is achieved through several stated objectives:

- To create a set of explicit design standards to be used by prospective developers and their site planners, architects, landscape architects, and engineers in designing proposed development projects;
- To encourage development projects that use a variety of architectural styles,

incorporate quality design features, are inviting and user friendly, offer pleasing and interesting views, and are architecturally distinctive yet in harmony with the surrounding environment;

- To provide a consistent approach to site planning and design; and
- To provide for City review of exterior modifications to existing buildings (other than single family homes).

In general, the City's design guidelines offer principals of good design, rather than specify specific design approaches, construction techniques, or materials. As applied to multifamily residential developments of the type that could include affordable units for low and moderate income households, the guidelines would probably have little substantive cost impact. Issues addressed in the design guidelines include:

- **project access and circulation** relating to connections to existing streets, project entrances and exits, project entrance features, bus stop improvements, internal traffic circulation, driveways, parking configuration and landscaping, lighting of parking areas, and pedestrian circulation;
- **common open space and recreation areas** relating to design and location;
- **use of natural and artificial slopes** to create views, shield visually obtrusive uses, and maintain harmony with natural and artificial surroundings;
- **landscaping** for buffers, as architectural accents and elements, for hillside protection, as fences or barriers, and as visual accents for project entryways;
- **wall and fence materials**, placements, and articulation; and
- **architectural styles** relating to building mass and form, compatibility of architectural styles with surrounding uses, major architectural elements, and uses of materials.

Design review guidelines were adopted by the City to provide explicit guidance and consistency to the development process in Laguna Niguel. Prior to the adoption of design review guidelines, development decisions affecting project design were made ad-hoc and inconsistently. The use of design review guidelines can help expedite the review of affordable housing projects and reduce the potential for public opposition. Although the design guidelines address the use of materials and architectural compatibility, the most important cost factor for affordable housing is project density, not its appearance.

The design review process occurs concurrently with the processing of other development permits and does not significantly increase the total amount of time required for development approval.

8. Permit Processing Procedures

Processing times for both building and planning permits, is typically seen as a potential constraint to the production of affordable housing.

9. Building

Building review contains both plan check review and inspection. Both of these procedures have

different time schedules. For building review, the City has the established policy that the City's building plan review for most types of construction will occur within fifteen days from the date of submittal. Plan review for commercial structures is significantly longer. In actuality, the plan check time for most residential structures is ten days. Also a grading plan check occurs as part of the building plan check review process. The City policy for grading plan check review is also 15 days, which can occur concurrently with building plan check.

Building and grading inspections are required during the construction of a project. For building inspection, the City has a special 24 hour telephone line with an answering machine to take inspection requests. If the inspection request is received prior to 3:30 P.M., the inspection will take place the next working day. If the inspection request is received after 3:30 P.M., the inspection will occur the second working day from the date of inspection request. The grading inspection system operates the same as the building inspection system.

10. Planning

The California Government Code establishes permitted time periods for local agencies to review and act upon private development proposals. These time restrictions for discretionary permits are identified in Table III-47.

Table III-47 Development Processing Time Limits	
Item	State Maximum
General Plan Amendment	50 days
Environmental Documentation	
Additional Data Needed - Notice to Applicant	30 days
Determination of Negative Declaration or EIR Requirement	45 days
Completion of Negative Declaration	60 days
Certification of Final EIR	1 year
Variances, Use Permits, Site Plans, Grading Permits	
Additional Data Needed- Notice to Applicant	30 days
Final Action on Project	1 year

In an effort to streamline the development process, the City prepared a Master Environmental Assessment (MEA) as part of the General Plan program. The MEA serves to centralize data on environmental conditions, expedite environmental review process, minimize cost of environmental review, and ensure responsible development patterns.

The development review process in Laguna Niguel is governed by Local Ordinance and the City's General Plan. Local ordinances, primarily the Zoning Code, give the City's staff the ability to administratively review and approve many types of projects. For projects requiring addition review beyond Staff review, the Code establishes three boards: the Environmental Review Board (ERB), the Planning Commission, and the City Council. The ERB is comprised of three citizens appointed by the City Council. The purpose of the ERB is to review environmental

documentation and assist in the determination of whether a Negative Declaration or Environmental Impact Report (EIR) is necessary. If an EIR is required, the ERB assists in determining the scope of work for the EIR. Additionally, the ERB is responsible for the issuance of Negative Declarations. The ERB holds its regular meetings on the first Wednesday of each month. However, the ERB often holds special meetings to accommodate the schedules of various projects. Generally, the processing time for the ERB is two weeks. There are cases where the processing times have been longer than two weeks, however, State law has established specific processing time limits for environmental review and the City's environmental review process complies with the time limits established by the State.

The Planning Commission is comprised of five citizens appointed by the City Council. All major development proposals, environmental actions, zone changes, and general plan amendments are reviewed by the Planning Commission. The Planning Commission meets the second and fourth Tuesday of each month. '

The City Council is comprised of five elected officials. Generally, development projects are not reviewed by the City Council unless there is an appeal. However, the City Council does review General Plan Amendments, zone changes, and certifies Environmental Impact Reports if the proposal requires action by the City Council. The City Council meets the first and third Tuesday of each month.

11. Fees

Government constraints can significantly add to the cost of housing through various fees. In addition to development processing fees, local fees include the following:

- Coastal Area Road Improvements and Traffic Signals Fee Program (CARITS);
- Moulton Parkway/Laguna Niguel Fee Program;
- San Joaquin Hills Transportation Corridor Fee Program;
- Capistrano Unified School District Developer Fee Program;
- Libraries Fee Program; and
- Fire Station Fee Program.

The CARITS Fee Program affects new developments in Zone 2. The following table breaks down the various fees by zone area and development type. Most available land is located in Zone 2D, which has the highest CARITS fees.

Table III-48			
CARITS Fees in Laguna Niguel			
Development	Zone 2A: Marina Hills	Zone 2B: Bear Brand Ranch	Zone 2D
Single-Family Unit	\$891	\$891	\$1,508
Multi-Family Unit	\$531	\$531	\$1,206
Non-Residential	\$1.041/ft. ²	\$1.041/ft. ²	\$1.357/ft. ²

Source: Laguna Niguel Community Development Department, 2000.

The Moulton Parkway/Laguna Niguel (MP/LN) Fee Program places additional fees on new development. The Moulton Parkway Zone covers the western half of the city of Laguna Niguel, including Pamillia, Coronado Pointe, Highlands North, and Estates of Rancho Niguel. Laguna Sur, Monarch Point, Binion, and the Hon Property are not located within either fee zone. The remaining properties are all located in the Laguna Niguel fee zone.

Table III-49		
MP/LN Fee Program		
Development	Moulton Parkway Zone	Laguna Niguel Zone
Single-Family Unit	\$311	\$171
Multi-Family Unit	\$182	\$99
Commercial	\$0.615/ft. ²	\$0.726/ft. ²

Source: Laguna Niguel Community Development Department, 1999.

To maintain fire service levels, new developments must pay a fee so that fire service providers can adequately serve new areas. The Fire Station Fee Program is broken down by fire station service areas. Developments served by Fire Station #39 pay a fee of \$65.00 per dwelling unit or \$7.20 per 100 sq. ft. of non-residential development. Developments served by Fire Station #49 must pay a fee of \$236.00 per dwelling unit or \$25.38 per 100 sq. ft. of non-residential development.

All developments in the City must participate in the San Joaquin Hills Transportation Corridor Fee Program. Fees for single-family dwellings are \$3,391 per unit, while multi-family dwellings are \$1,974 per unit. Commercial developments must pay a fee of \$4.54 per square foot.

The Capistrano Unified School District Developer Fee Program requires fees for new development, including additions to existing residential structures, to maintain school service levels as the community grows. Residential developments and some additions must pay a fee of \$2.59 per square foot. Commercial and Industrial Developments in Laguna Niguel must pay \$0.31 per square foot.

The Libraries Fee Program helps to maintain library services at the City's two libraries - Aliso Library and Crown Valley Library. Fees per dwelling unit are \$206.00 for Aliso Library and \$194.00 for Crown Valley Library.

Depending on the size, type, and location of a dwelling unit, the development fees listed above can range from about \$4,000 to over \$10,000 per dwelling unit. For a typically-priced new single family home, development fees represent two percent or less of the cost of the home. For an attached home or townhouse, development fees represent between three and five percent of the cost. These are not extraordinary costs. The fees might represent a more significant cost of developing affordable housing, particularly for low or very low income households, however.

P. NON-GOVERNMENTAL CONSTRAINTS

1. Land Prices

Residential land prices in Orange County have risen dramatically since the early 1980s. According to the Construction Industry Research Board (CIRB), the cost of improved residential land in 1989 accounted for 35 percent of the total cost of constructing a single family unit. In contrast, CIRB indicates that the percent of housing cost attributed to land price in 1980 was only 27.8 percent. By 1999, it estimated that land costs in Laguna Niguel had risen to 50 percent or more of the cost of a new home, particularly for multifamily housing. At \$23 per square foot of multi-family property, a typical lot would cost \$115,000.

The increase in land cost in Laguna Niguel can be attributed to the desirability of the community. This includes the community's location, topography, and amenities. The high land costs also trigger higher costs in other areas of development. To balance the high cost of land, developers must increase amenities within the housing unit as well as the community area in order to justify the higher prices paid for the land.

Because remaining vacant land in the City is a limited commodity, there is little the City can do to mitigate the impact that high land costs have on the feasibility of producing low and moderate-income housing.

Table III-50
Apartment Replacement Costs

Cost Type	Per Square Foot	Per Unit Cost	Cost for 207 Units
Land Cost	\$23	\$63,840	\$13,214,880
Construction Cost	\$69	\$21,600	\$4,471,200
Permits and Fees	\$12	\$11,200	\$1,318,400
Soft Costs	\$4	\$4,000	\$828,000
Financing	\$10	\$9,200	\$1,904,400
Marketing/Other	\$3	\$3,160	\$654,120
Total	\$121	\$118,000	\$22,391,000

The City of Laguna Niguel is marked by a series of hills and valleys. Niguel Hill, located in the southwestern portion of the City, is the point of highest elevation at 936 feet. The Salt Creek, Aliso Creek, and Oso Creek are the City's primary drainages and tributaries. These waterways exist in several of the City's valleys.

The topography is the primary cause of increased land and construction costs of new development in the City. Land prices are increased because the majority of homes in Laguna Niguel are considered "view lots." The two predominant views are the Pacific Ocean to the south and west

and the Capistrano Valley and Saddleback Mountain to the north and east. "View" properties substantially increase the price of land.

2. Vacancy Rate

Based on data from the Department of Finance, the City of Laguna Niguel has a vacancy rate of 9 percent. This relatively high vacancy rate means that many newly constructed units are not quickly being occupied and absorbed into the system, a phenomenon that has occurred over the past decade. It is projected that this lack of absorption of new units will cause the rate of future growth in the city to slow down from past trends.

3. Construction Costs

The Real Estate and Construction Report, prepared by the Real Estate Research Council of Southern California, provides construction cost trend information for the Southern California area. According to the report, construction costs for apartment and single-family residences have increased steadily since 1976.

The report analyzes the construction costs for various types of developments. The construction costs only include the materials and labor of construction. Land prices, building and development fees, and any other required fees are not included in the construction cost figures. Construction costs for single-family units are significantly higher.

Construction costs for rental units are approximately \$70 to \$75 per square foot. A recently built 230 unit three-story, 230,000 square foot multifamily project cost approximately \$28,250,000 or about \$122,826 (Shea Properties, Dwayne Bradley, pers. comm. December 1999). Construction costs were \$15,960,000, land and associated costs were \$5,400,000, development costs such as permits and fees were \$2,800,000, soft costs such as engineering and architecture were \$1,000,000, financing was \$2,300,000 and marketing and other costs were \$790,000. Materials and labor usually cost between \$68 and \$70 per square foot.

The cost per square foot for a single family home would typically be higher, in the range of \$100 - \$120 per square foot for standard tract home. For example, a 2,000 square foot home at \$120 per square foot would result in a cost of \$240,000 without land costs added. Because most of the homes in Laguna Niguel are custom homes rather than tract homes, it is not uncommon for construction costs to reach \$200 per square foot.

The hilly topography also increases construction costs because of the substantial amounts of grading necessary. The increased amounts of grading result in construction costs higher than in flat areas. Since construction costs are less in the flat areas the competition of uses in those areas is heavy. A development must include roads and parks, both of which require flat land. Therefore, the opportunity to develop residential uses on the flat land in the City is limited.

4. Financing Costs

Interest rates have the greatest impact on the ability to construct or purchase a home. Interest rates, however, are determined by national policies and economic conditions and, as such, local government can do little to affect these rates.

Lending rates for developers are generally 2 to 2.5 percentage points higher than the prime interest rate. The building industry notes that financing for residential development is currently difficult to obtain from the banking community.

Mortgage interest rates for home purchase ranges from six to nine percent for a fixed-rate 30-year loan. Lower initial rates are available with Graduated Payment Mortgages (GPMs) or Adjustable Rate Mortgages (ARMs).

5. Developers' Perception Of Marketability

Developers generally design their projects to attract a specific segment of the market. Depending on what market is being attracted, developers frequently include in their housing developments a variety of amenities not required under the City's zoning, subdivision, or building codes. Examples of such amenities include increased open space, additional parking spaces, and lower densities than are required by City regulations. While the City does impose minimum requirements on developers, it can not realistically prevent developers from imposing more stringent requirements on themselves.

6. Fiscal Solvency

Fiscal solvency is very important to the integrity of the City. Without a sound financial base, the City cannot operate or provide services to the public. The City derives its fiscal solvency from commercial development, primarily retail sales tax. Currently the City is developed predominantly as a residential community with 37 percent of the land area dedicated to residential land use. Many areas of the City are also set aside for permanent open space uses (39 percent of the land area) primarily due to steep topography or waterways in the valley floors. Major streets and right-of-ways comprise 16 percent of the land area. The employee generating land uses, such as retail, office, and industrial uses, only account for 5.3 percent of the land area and public institutions account for 2.4 percent of the land area. Therefore, in making future land use decisions, the City must consider the need to maintain fiscal solvency. It would be possible to re-zone commercial properties to accommodate more housing within the City. However, since the current commercial land base is merely 4.3 percent, this raises an issue of maintaining the City's budget, which is derived from the sales taxes generated by uses on commercial properties. Reducing the number of commercial properties may jeopardize the City's budget. Therefore, any future decisions to re-zone commercial property feasible for residential development would need to consider the impact on fiscal solvency. Additionally, the City does not have a redevelopment agency to help fund affordable housing development using the mandatory set-aside funds.

IV. CONSISTENCY OF THE HOUSING ELEMENT WITH OTHER GENERAL PLAN ELEMENTS

The Laguna Niguel Housing Element is generally consistent with the other elements of the Laguna Niguel General Plan. The Housing Element will not require changes in policies to other General Plan elements, nor would it permit the development of more housing units than already anticipated in the current General Plan. There are two exceptions to this consistency finding that could require amendment of the Land Use Element and Land Use Element Map:

- If the City permits the development of multifamily housing on an existing commercially-zone site, a general plan amendment and rezoning will be necessary.
- If the City approves the amendment of an existing vested map to consolidate several parcels for the development of multifamily housing, a general plan amendment and rezoning may be necessary.

Land Use Element

With the exception of the two actions stated above, implementation of the Housing Element will not require amendment of the Land Use Element or Map. The number of dwelling units set by the City as its quantified objective for the period 2000-2005 is within the existing Land Use Element estimate at build-out. None of the policies or actions in the Housing Element for the preservation or conservation of existing affordable housing will require amendment of the Land Use Element. The Housing Element is consistent with Land Use Element standards of density and building intensity.

Open Space/Parks/Conservation Element

None of the policies or programs in the updated Housing Element will require conversion of open space, parkland, or conservation areas for residential use or significantly increase the use of these resources beyond the level anticipated in the Open Space/Parks/Conservation Element.

Circulation Element

None of the policies or programs in the updated Housing Element will require the construction, extension, or widening of streets beyond that already anticipated in the Circulation Element. Implementation of the Housing Element will not impact current circulation policies for pedestrian, bicycle, public transit, or other alternative modes of transportation. The updated Housing Element will not require changes to Circulation Element policies addressing street improvement standards.

Public Facilities Element

Implementation of the Housing Element will not affect current policies in the Public Facilities Element for water, sewer, flood control, solid waste, law enforcement, emergency services, or other City facilities or services. The Housing Element will not require modifications in service levels, facility capacities, service or facility routes/lines, or affect the demand for City services or facilities beyond that already anticipated in the Public Facilities Element. Implementation of

the Housing Element will not require construction or expansion of private utilities beyond that anticipated in the General Plan.

Noise Element

None of the Housing Element policies or actions will affect policies in the Noise Element or significantly affect major sources of community noise. The development of multifamily housing on an existing commercial site could expose a sensitive noise receptor to noise levels in excess of those recommended levels for residential use. The development of multifamily housing on consolidated parcels in an area currently designated for single family homes could expose existing neighborhoods to increased noise from additional traffic. While these potential impacts will not require amendment of the Noise Element, they would be addressed as part of the environmental review for specific development proposals.

Seismic Safety/Public Safety Element

None of the Housing Element policies or actions will expose residents to seismic safety or public safety hazards that are not already addressed in the Seismic Safety/Public Safety Element. Implementation of the Housing Element will not create additional, unanticipated safety hazards.

Growth Management Element

Implementation of the Housing Element will not require amendment of growth management policies contained in the Growth Management Element. Neither the location of future housing, the total number of housing units, nor the rate of growth will be materially affected by the updated Housing Element.

Community Service Standards Element

Implementation of the Housing Element will not significantly affect the levels of public services needed in the City or the delivery of those services to city residents.

V. EVALUATION OF THE 1992 HOUSING ELEMENT

State law (Government Code Section 65588. [a]) requires local governments to review their housing elements as frequently as appropriate, but not less than every five years, to evaluate:

- The appropriateness of housing goals, objectives, and policies;
- The effectiveness of the housing element in attainment of the community's housing goals and objectives; and
- The progress achieved in implementing the housing element.

The review of the housing element must account for low- or moderate-income housing provided or required pursuant to state law (Government Code Section 65590 [d]), including housing removed or provided in the coastal zone for communities within the coastal zone.

The 1992 Housing Element contained seven programs with 33 actions. Table V-1 summarizes that City's achievements for those 33 actions. The City had the greatest success in accomplishing the following actions:

- Providing sufficient sites to accommodate its RHNA allocation
- Adopting a new zoning code containing provisions for density bonuses, second units, and senior housing
- Funding services provide that benefit lower income Laguna Niguel residents

The City has had the least success in achieving objectives for the creation of new affordable housing and the preservation of existing affordable housing. Although the City was not able to satisfy its regional requirements contained in the 1992 Housing Element, the City was successful perserving two single family homes occupied by low-income elderly homeowners and in permitting the construction of nearly 100 housing units affordable to lower and moderate income households in the Niguel Gardens project. There are a number of reasons for this outcome, as listed in Table V-1.

TABLE V-1
GOALS, POLICIES, AND PROGRAMS OF THE 1992 HOUSING ELEMENT

GOAL/POLICY/PROGRAM	SUMMARY GOALS & POLICIES	
GOAL 1 A diversity of housing opportunities that satisfy the physical, social, and economic needs of existing and future residents of Laguna Niguel	Policy 1.1 Policy 1.2	Ensure that housing is safe and sanitary with adequate public services to accommodate the needs of City residents. Promote the continued maintenance and enhancement of the existing housing stock.
Goal 2 Affordable Housing for all economic segments of Laguna Niguel	Policy 2.1. Policy 2.2 Policy 2.3 Policy 2.4 Policy 2.5	Promote a variety of housing opportunities that accommodate the needs of all income levels of the population. Continue administration and monitoring responsibility for the Inclusionary Housing Program (IHP) and Housing Opportunities Program (HOP) previously administered by the County of Orange. Support innovative public, private and nonprofit efforts in development of affordable housing, particularly for special needs groups. Pursue all available forms of local, state and federal assistance to support development and implementation of housing programs. Monitor the number of affordable units eligible for conversion to market-rate units and develop programs to minimize the loss of these units.
GOAL 3 Equal housing opportunity for all residents in Laguna Niguel.	Policy 3.1 Policy 3.2	Encourage and support the enforcement of laws and regulations prohibiting the discrimination in lending practices in the sale or rental of housing. Support actions to reduce regulatory constraints which impede equal housing opportunities.

GOAL/POLICY/PROGRAM	OBJECTIVE AND ACTIONS	ACHIEVEMENTS										
<p>PROGRAM 1:</p> <p>PROVISION OF ADEQUATE HOUSING SITES</p>	<p>Objective: Identify adequate housing sites for the construction of new housing units to meet the City's identified housing need.</p> <p>1992 Quantified Objectives by Income Level</p> <table><tr><td>Very Low</td><td>Low</td><td>Moderate</td><td>Above Moderate</td><td>Total</td></tr><tr><td>82</td><td>100</td><td>118</td><td>277</td><td>577</td></tr></table> <p>Action 1: City has identified adequate housing sites, for the production of 4,708 units, which will be made available through appropriate land use designations and zoning for the construction of housing units for a variety of income levels.</p> <p>Action 2: When requested by property owners, the City shall approve the rezoning of developed or vacant property from nonresidential to residential uses when appropriate.</p>	Very Low	Low	Moderate	Above Moderate	Total	82	100	118	277	577	<p>-</p> <p>Between 1992 and 1997, 2,175 units were constructed. A 1997 land use inventory indicates that 1,575 units remain built until build-out is reached.</p> <p>No rezoning of nonresidential to residential have been requested and none initiated by the City</p>
Very Low	Low	Moderate	Above Moderate	Total								
82	100	118	277	577								
<p>PROGRAM 2</p> <p>SITES FOR THE HOMELESS AND EMERGENCY SHELTERS</p>	<p>Objective: Promote and assist in the development of emergency shelters and transitional housing.</p> <p>Action 1: The City shall continue to collect data on the number of homeless in Laguna Niguel.</p> <p>Action 2: The City shall participate on the Orange County Homeless Issues Task Force.</p> <p>Action 3: Upon becoming an entitlement city for Community Development Block Grant Funds, the City shall allocate a portion of its CDBG funds to social service agencies that provide services to the homeless.</p> <p>Action 4: As part of the City's development of its Zoning Ordinance, the City shall allow for emergency and transitional shelters, with discretionary approval, in those areas with the land use designation of, Industrial/Business Park; Professional Office; Community Commercial.</p>	<p>City's ongoing monitoring/data collection efforts have not identified any homeless individuals.</p> <p>The City participated in the Orange County Homeless issues Task Force .</p> <p>The City became an Entitlement City in 1997 and has since provided CDBG funds to service providers caring for the homeless such as:.</p> <p>The City's new zoning code adopted in 1999 permits emergency shelters in all nonresidential districts and transitional housing facilities in the public institutional district.</p>										

GOAL/POLICY/PROGRAM	OBJECTIVE AND ACTIONS	ACHIEVEMENTS
<p>PROGRAM 3</p> <p>AFFORDABLE HOUSING DEVELOPMENT</p>	<p>Objective: Promote and assist in the development of housing for low and moderate income households.</p> <p>Action 1: Continue to administer and monitor the applicable County of Orange affordable housing requirements, placed on projects in Laguna Niguel prior to the City's incorporation.</p> <p>Action 2: Administer the City's Affordable Housing Incentive Ordinance regarding the provision of incentives or regulatory concessions to encourage development of affordable housing.</p> <p>Action 3: Continue to participate with Orange County and CHFA in securing tax exempt mortgage revenue bonds. Encourage developers of remaining residential sites to use tax exempt mortgage revenue bonds for low and moderate income housing on these sites by considering the modification of development standards (e.g. parking, setbacks, lot coverage, etc.) or the waiving of park and planning fees.</p> <p>Action 4: Administer and consider amending the City's Senior Citizen Incentive Use Permit to require only 25 percent of the units to be affordable to Lower Income households (80 percent of HUD median income).</p> <p>Action 5: Encourage the use of Section 202 funding by considering the modification of development standards (e.g. parking, setbacks, lot coverage, etc.) or the waiving of park and planning fees for projects which use Section 202 funding.</p> <p>Action 6: Adopt a Granny Flat Ordinance which allows for the construction of granny flats in residential areas.</p>	<p>Alicia Park, Rancho Niguel, Villa La Paz, Country Club Villas, Laguna Serrano, Niguel Summit, and Seaview Summit are the remaining housing projects with affordable units - (207 subsidized units and 177 bond-financed units total). All other affordability restrictions have expired.</p> <p>No development applicable to the ordinance has been proposed. All new housing sites are within approved development projects that were under construction at the time the Housing Element was adopted or that only required building permits for construction.</p> <p>Orange County is still developing the mortgage revenue bond program. Developers of the remaining private land have not shown any interest in developing remaining multi-family sites. The City has not had the opportunity to implement this action.</p> <p>The City's new Zoning Code adopted in 1999, includes provisions for density bonuses consistent with state law.</p> <p>There have been no new development proposals for use of Section 202 funds for elderly/disabled housing. There are only two vacant multifamily sites available for which funding could be used. Modified standards and fee waivers would be considered on a case by case basis.</p> <p>The City's new Zoning Code, adopted in 1999, included provisions to allow second units in all residential zones with a use permit: the units must be rentals (the primary unit must be owner occupied), limited to 30 percent of the floor area of the primary unit (max. of 1,200 sq. ft.), must comply with zoning standards, must have one enclosed parking space plus one additional space if second unit is more than 640 sq. ft.), and must be compatible with the main unit and surrounding neighborhood.</p> <p>No affordable housing projects have been proposed for the City to consider incentives.</p>

GOAL/POLICY/PROGRAM	OBJECTIVE AND ACTIONS	ACHIEVEMENTS
PROGRAM 3 AFFORDABLE HOUSING DEVELOPMENT	<p>Action 8: Continue to apply for and use Community Development Block Grant Funds (CDBG) to facilitate the development and construction of housing for lower and very low income households.</p> <p>Action 9: To the extent that developers and landowners are willing to cooperate, the City will apply for HOME funds.</p>	<p>Since 1992, CDBG funds totaling \$40,000 have been used for two housing rehabilitation projects. City has used CDBG funds primarily for public facilities meeting federal program objectives (this has been the highest priority).</p> <p>No developments meeting HOME Program criteria have been proposed by developers.</p>
PROGRAM 4 REMOVAL OF GOVERNMENTAL CONSTRAINTS	<p>Objective: To remove as many governmental constraints as feasible, in order to help encourage and promote the construction of housing affordable to low and moderate income households.</p> <p>Action 1: Adopt a Zoning Ordinance to implement the General Plan.</p> <p>Action 2: Review existing development fee schedule and consider adoption of a modified fee schedule for the development and construction of low and moderate income housing and senior housing.</p> <p>Action 3: Review existing development processing time schedule and consider adoption of a modified time schedule for the development and construction of low and moderate income housing and senior housing.</p>	<p>The City's new Zoning Code adopted in 1999. The new Zoning Code consolidated several planned community documents into one comprehensive document to improve efficiency in administration. The Code establishes development standards for six residential zones: Rural Residential District, Residential Estate District, RS-3 and RS-4 Single Family Districts, RP Planned Residential District, RA Attached Residential District, and RM Multifamily District. The Zoning Code also establishes permit procedures for group homes and second units in residential districts and for managed care senior housing, rooming and boarding houses, emergency shelters, and transitional housing in nonresidential districts.</p> <p>The City has not adopted a modified fee schedule. However, on a case by case basis, fees may be waived. City planning fees have not increased since 1989.</p> <p>The City has not adopted a modified processing time schedule. However, fast-tracking is available on a case by case basis, work load permitting.</p>
PROGRAM 5 CONSERVE AND IMPROVE EXISTING HOUSING AFFORDABLE TO LOW AND MODERATE INCOME HOUSEHOLDS	<p>Objective: To conserve and improve existing housing which is affordable to low and moderate income households.</p> <p>Action 1: Conduct a detailed investigation to determine the exact dates specific assisted units are scheduled to convert to market rate.</p>	<p>The City has tracked the termination dates of subsidized units in Laguna Niguel but has not had the funding to continue the subsidies to assure the continued affordability of these units.</p> <p>The City has not used CDBG funds to preserve affordable units due</p>

GOAL/POLICY/PROGRAM	OBJECTIVE AND ACTIONS	ACHIEVEMENTS
	<p>Action 2: Utilize CDBG funds to preserve as many of the 142 Very Low and 700 Lower Income units scheduled to convert to market rate within five years. Depending on the City's allocation, it is anticipated that between 20 and 50 units can be preserved per year.</p> <p>Action 3: Negotiate with developers and landowners who have undeveloped land to develop a program where regulatory incentives could be granted for the undeveloped projects in return for conservation of existing bond assisted or inclusionary units.</p> <p>Action 4: Study the feasibility of establishing a Housing Trust Fund in Laguna Niguel.</p> <p>Action 5: Develop a Housing Inspection Program through the Code Enforcement Division of the Community Development Department.</p>	<p>to other priorities for the use of funds. Since 1992, CDBG funds have been allocated to two Housing Rehabilitation contracts totaling \$40,000. In 1997, the City became an entitlement city. During the preparation of the CDBG mandated Consolidated Plan, the City conducted a community-wide Needs Survey which found that the Community's highest priority needs were youth centers and parks and recreation, crime awareness and senior services. The need for rental housing was not identified as a priority need by the Community Needs Survey.</p> <p>The City's CDBG program has focused on the development of parks and other recreational infrastructure, primarily in response to the high priority assigned to youth centers and parks and recreation. Another focus of the CDBG program has been the City's efforts to assist owners of properties impacted by landslides caused by the 1998 El Nino storms.</p> <p>Another consideration is that Orange County during this review period, was in the midst of a recession and that high vacancy rates for purchase and rental housing were typical at the time the survey was conducted. Since the late-1990s, the booming Orange County economy has caused a significant tightening of the housing market for both buyers and renters forcing both housing prices and rents to increase.</p> <p>The City has not implemented this program due to a lack of developers interested in such incentives. At the time of the adoption of the 1992 Housing Element, most vacant land was located in projects that had received their discretionary permit approvals, so there the City had little bargaining power to offer incentives.</p> <p>The City did not implement this program because most vacant land was located in projects in which all discretionary permits had already been approved. The City had virtually no opportunity to impose a requirement to contribute to a Housing Trust Fund as a condition of obtaining building permits, therefore. In addition, there are few vacant sites remaining in the City in which the use of a Housing Trust fund might be feasible to produce affordable housing for low-income households.</p> <p>The City currently inspects homes on a complaint basis or at the request of the occupant. The City performs one inspection per</p>

GOAL/POLICY/PROGRAM	OBJECTIVE AND ACTIONS	ACHIEVEMENTS
	<p>Action 6: Encourage apartment owners to list available rental units with the Orange County Housing Authority for the Section 8 rental assistance program.</p> <p>Action 7: Develop a Homesharing Program in Laguna Niguel. The goal of this program is to match 30 residents (15 very low income and 15 lower income) each year.</p> <p>Action 8: Publicize and encourage the participation in the Reverse Mortgage Program and refer eligible homeowners to the County Housing Authority and/or the South County Seniors.</p> <p>Action 9: The City will provide technical information to local groups about shared equity programs, and provide referral services to eligible homeowners.</p> <p>Action 10: Continue to administer the City's Condominium Conversion Ordinance.</p> <p>Action 11: Establish a program to monitor the construction, demolition, and conversion of units affordable to low and moderate income households in the Coastal Zone.</p>	<p>month on the average. The City has an active code enforcement/property maintenance program to keep the existing housing stock in good condition.</p> <p>The City has not implemented this program because there are only two apartment complexes in the City with rent low enough to participate in the Section 8 Program, and the owners of these apartment already participate in the Program. A 1999 survey of advertised rents for apartments and condominiums in Laguna Niguel conducted for the Housing Element update found no rental units available at or below the federal Fair Market Rent level. Given the low likelihood that other rental units are eligible to participate in the Section 8 Program, the City's efforts to encourage other landlords to participate in the Section 8 Program is unlikely to be successful.</p> <p>Since 1997, the City has used CDBG funds to support homesharing. South County Senior Services, located in Laguna Hills, runs a homesharing service for Laguna Niguel residents. South County Senior Services has assisted approximately 15 Laguna Niguel residents per year.</p> <p>The City refers interested homeowners to the appropriate agency when inquiries arise.</p> <p>The City refers interested homeowners to the appropriate agency when inquiries arise.</p> <p>The City administers this ordinance on an ongoing basis. Thus far, no conversions have occurred.</p> <p>The City monitors all construction, demolition, and conversion activities through its development permit processes and will continue to do so.</p>

GOAL/POLICY/PROGRAM	OBJECTIVE AND ACTIONS	ACHIEVEMENTS
PROGRAM 6 PROMOTE HOUSING OPPORTUNITY	<p>Objective: Promote equal housing opportunity for all residents of Laguna Niguel.</p> <p>Action 1: Continue to support the activities of the Fair Housing Council and provide referrals to this organization when appropriate. When the City becomes an entitlement City, a portion of the City's CDBG funds will be contributed to the Fair Housing Council.</p>	<p>Since 1997, the City has provided CDBG funding to the Orange County Fair Housing Council to provide fair housing services to City residents. According to the annual performance reports of the Fair Housing Council, the Council has responded to about 100 complaints a year by Laguna Niguel residents. Complaints regarding fair housing received by City staff are forwarded to the Fair Housing Council for resolution. The most recent complaints have focused on sudden rent increases, which are indicative of the strong demand for purchase and rental housing in the City.</p>
PROGRAM 7 HOUSING ELEMENT MONITORING AND REPORTING	<p>Objective: To develop monitoring and reporting programs for the Housing Element and ensure the Housing Element is internally consistent with other elements of the General Plan.</p> <p>Action 1: Develop a monitoring program and report to the City Council annually on the progress of Housing Element programs.</p> <p>Action 2: Require social service agencies and nonprofit organizations which receive CDBG funding from the City to record information on the residences of clients served.</p> <p>Action 3: Whenever land use regulations, land use designations, or housing programs are proposed for adoption or modification, the Community Development Department shall analyze the proposed changes to determine consistency with the Housing Element and other elements of the General Plan.</p>	<p>The City has not prepared and submitted annual Housing Element implementation status reports.</p> <p>The City has implemented this action by requiring quarterly and annual reports from each of the City's subgrantees receiving CDBG funds.</p> <p>City staff preforms this consistency analysis as part of the staff report to the Planning Commission and City Council for any proposed modifications of the General Plan, Zoning Code, other City ordinances and regulations, or adopted housing programs.</p>

Table V-2						
Quantified Objectives						
1992 - 2000						
Objective	Very Low	Lower	Mod I	Mod II	Upper	Total
	< 50 %	50-80 %	80-100 %	100-120 %	> 120 %	
New Units Proposed	110	86	217	524	3,771	4,708
<i>New Unit Produced</i>	0	1	49	49	2,399	2,498
Conservation Proposed	142	1,093	783	501	0	2,519
<i>Units Conserved</i>	0	2	0	0	0	2
Total	252	1,179	1,000	1,025	3,803	7,259
<i>Total Produced/Conserved</i>	0	3	49	49	2,399	2,500

APPENDIX A

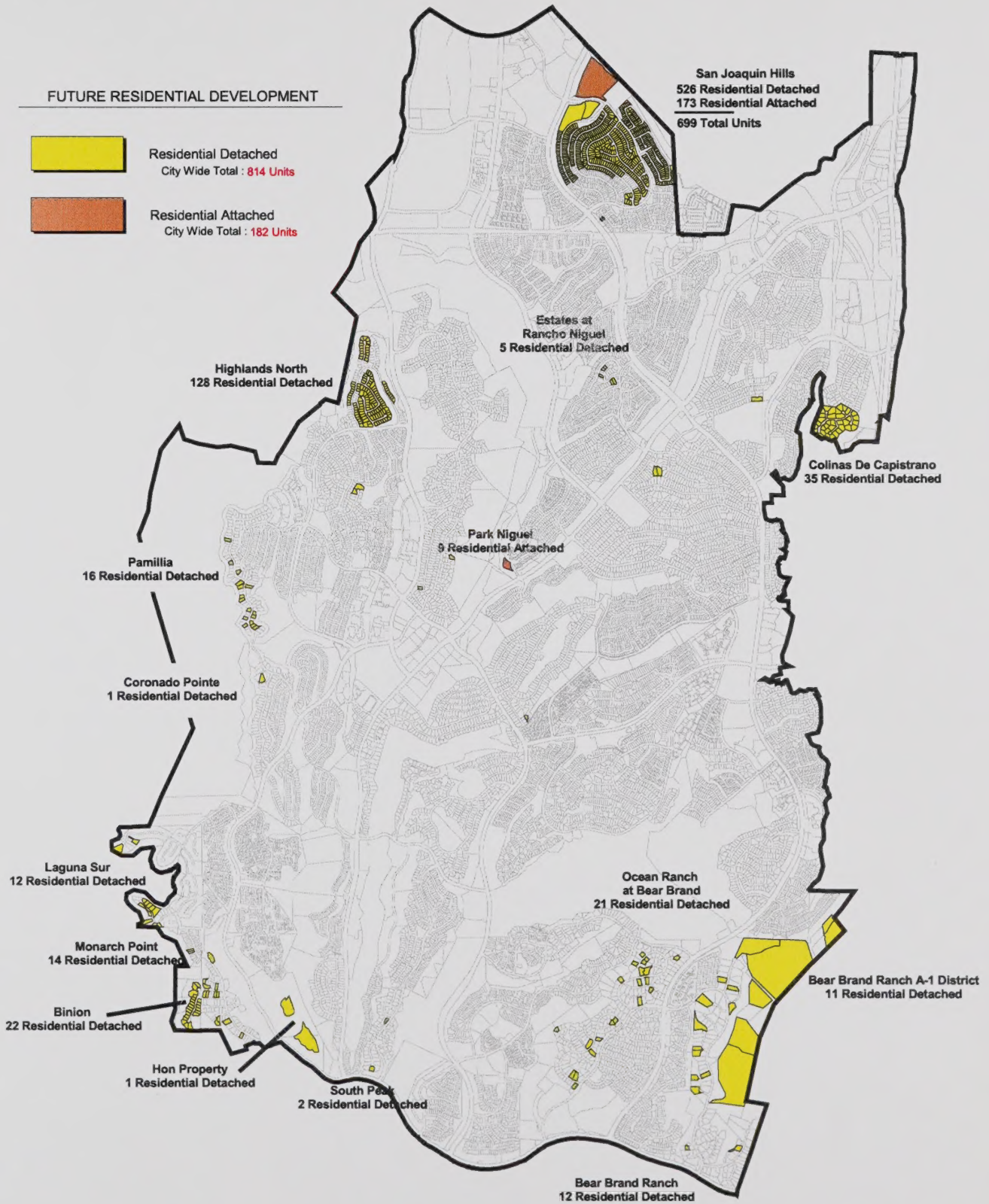
FUTURE RESIDENTIAL DEVELOPMENT



Residential Detached
City Wide Total : 814 Units



Residential Attached
City Wide Total : 182 Units



Future Residential Growth Areas January 2000



U.C. BERKELEY LIBRARIES



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